Daily Report

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Bosnia-Hercegovina

TANJUG reports that Radovan Karadzic, president of the Serb Republic, "proposed that foreign military aircraft cover air corridors for humanitarian flights, but not the entire air space" of Bosnia-Hercegovina. In a fax to REUTERS, Karadzic said "he was ready to abide by such an agreement immediately." He added that "Bosnian Serbs wanted to cooperate for the humantarian flights to resume, but not in the way which would lead to the strategic advancement of the enemy."

Yugoslavia

Federal—President Dobrica Cosic said that he "did not understand the meaning" of Prime Minister Milan Panic's statement about "Prevlaka being lost temporarily," TANJUG reports. The statement was made by Panic on 13 September during his flight to Beijing. Cosic said he "was inclined to believe that Prime Minister Panic had made the remark during an informal chat on board the plane and was not to be taken literally."

Macedonia—TANJUG reports on a Skopje newspaper article that Macedonia "will start erecting military strongpoints along the 200 kms-long border" with the FRY. "Up-to-date military strongpoints and other facilities will be constructed along the border with technical equipment for the control and defence of the border."

Slovenia

According to Ljubljana radio, President Milan Kucan received Hungarian President Arpad Goncz with "full military and other state honors" in Lendava. After talks with Goncz, Prime Minister Janez Drnovsek said the talks "were extremely friendly and interesting and I think they will help to strengthen the links between Slovenia and Hungary." He added: "I briefed the president mainly on the economic situation but also on the political situation in Slovenia and on our views on the development of mutual relations, especially economic relations."

Bulgaria

A recently published article in DEMOKRATSIYA carrying a 9 August statement by Aleksa Buha, the foreign minister of the Serb Republic of Bosnia-Hercegovina, regarding a threat of sabotage actions against nuclear plants in Europe, has "caused alarm among inhabitants of the Balkans and Europe." It is "possible for a terrorist act to unleash the nuclear monster and cause a disaster more terrible than Chernobyl." Two months before the threat, a Japanese professor assessed the current safeguard system for protecting the Kozloduy Nuclear Power Plant. "The system for physical protection of the plant seems to be poor. Your defense against possible terrorist actions should be more reliable," he reported. "Specialists propose the creation of several levels of security around the nuclear power plant, the installation of automated systems for permitting entry to the different zones, and a specialized security guard system." All these measures will be expensive, but "underestimating the dangers may cost a lot more."

President Comments on Danger of War in Kosovo

PM1609084692 Paris LE QUOTIDIEN DE PARIS in French 11 Sep 92 p 17

[Interview with Albanian President Sali Berisha by Catherine Lafon and Jean-Claude Lamoureux; Place and date not given]

[Text] [LE QUOTIDIEN DE PARIS] Your foreign policy is obviously dominated by the Kosovo affair, what principles guide your approach?

[Berisha] After the Bosnians, the Albanians are the most seriously threatened of the region's peoples. Hitherto our policy has been to make every effort to avoid or limit such a conflict. Albania, among others, desperately needs peace to ensure its recovery. But this does not just depend on us. The Bosnians did not want this war prompted by Milosevic. The same thing could happen in Kosovo. The aim of this conflict would then be to force the Albanians to leave Kosovo en masse. The situation would then become uncontrollable and Albania, Macedonia, and possibly other countries would be forced to join in this conflict. That would be a new Balkan war which could even extend beyond the region.

[LE QUOTIDIEN DE PARIS] You seem very pessimistic....

[Berisha] I am not very pessimistic, but I think that energetic action is needed to prevent such an outcome. Europe must be firmer, much firmer. Europe's wait-and-see attitude greatly jeopardizes the resolution of the crisis. First, we must halt the war in Bosnia at all costs. Second, we must find a stable and lasting solution in Kosovo. We are not asking for a redrawing of borders, but if the international community is incapable of imposing an acceptable solution, the confrontation between Serbs and Albanians will be terrible. The Yugoslav crisis started in Kosovo, it then developed in the other republics and was solved by wars. But in Kosovo, nothing has changed. I think and I hope that Europe and the international community are aware of that and will be able to propose a solution which is acceptable to the Serbs and the Albanians, and to all the peoples living in this region.

[LE QUOTIDIEN DE PARIS] What demands in Kosovo do you support?

[Berisha] Albania supports the Kosovo Albanians' right to self-determination, and respect for their human rights, excluding any territorial claim. I am in favor of negotiations which take account of the facts. The first being that Kosovo was already an autonomous republic in former Yugoslavia. Second, the legitimacy of the undoubtedly free elections organized in spring by the inhabitants of Kosovo must be recognized by the Serbs. If we have discussions on these bases, I am sure that a solution can be found.

[LE QUOTIDIEN DE PARIS] Will you open your border if war starts? It is also said that refugees from Kosovo are training on your territory....

[Berisha] Albania has already welcomed Bosnians, despite its small resources. We will obviously not fail to do the same for our brothers in Kosovo. We are already housing a number of them, but we do not want to encourage a mass exodus with which we could not deal. Of course, none of them is receiving military training, that is completely untrue.

[LE QUOTIDIEN DE PARIS] There have been several border incidents with the Serbs and the Macedonians. However, you have just established diplomatic relations with the Skopje government at consular level....

[Berisha] Indeed, the Serbs have killed people who had crossed the border to see relatives and friends on the other side. I cannot understand what happened with Macedonia. We have made every effort and are continuing to make every effort to create a stable situation with Macedonia, but they have continued to kill people, they have done the same thing as the Serbs. Who knows? Perhaps the Macedonian Army is the same as the Serbian Army.... These incidents worry me greatly. They happened just when I was trying to negotiate with Macedonian President Kiro Gligorov to guarantee the security of our common border. The London conference is also to discuss the fate of the 40 percent of Albanians in Macedonia. In this respect, the attitude adopted strikes me as constructive.

Nuclear Plant Reportedly Vulnerable to Terrorists

AU1509125592 Sofia DEMOKRATSIYA in Bulgarian 7 Sep 92 p 4

[Report by Lyubomir Yordanov from Vidin: "Kozloduy Nuclear Power Plant Is Not Well Protected Against Terrorist Attack"]

[Text] Aleksa Buha, the foreign minister of the so-called Serb Republic of Bosnia-Hercegovina, announced on 9 August that "friendly persons had offered him their services to carry out sabotage actions against nuclear plants in Europe." However improbable the Serbian leader's statement may appear—a statement that was shown to be a threat rather than real intentions—it caused alarm among inhabitants of the Balkans and Europe, who experienced "nuclear alarms" and "reminders of Chernobyl." In the final analysis, Bulgaria is not far removed from the blaze of the fire in the land of our western neighbor. Is it possible for a terrorist act to unleash the nuclear monster and cause a disaster more terrible than Chernobyl?

How well is our nuclear power plant protected against extremist actions? People are asking this question, and they do not want a reassuring answer, but a careful analysis and specific safety measures.

The police are currently responsible for guarding the Kozloduy Nuclear Power Plant and checking passes, while the border troops have the job of protecting the area between the plant and the River Danube. The Defense Ministry provides air cover, and the Fire-fighting Directorate protects the plant from fires.

Two months prior to the Serbian threat, Professor Mishima, former chairman of the Committee for Reactor Safety in Japan, assessed the present system for protecting the nuclear plant. "The system for physical protection of the plant seems to be poor," he wrote in a report to the management. "Your defense against possible terrorist actions should be more reliable," he reported; a comment with which Engineer Yordan Yordanov, head of the Nuclear Power Plant Safety Department, concurs. To this Yordanov added: "This does not mean that we have not taken protective measures and that we are not monitoring the situation at the nuclear power plant." Seven protective barriers, including ray systems, are in place around the Kozloduy Nuclear Power Plant, and it is impossible for an outsider to get through, the safety chief declares. He recalled that in mid-August four youths, members of ecological organizations, including foreigners, were arrested attempting to enter the plant.

However, different views also exist, held by specialists who find quite enough shortcomings in the protection of our nuclear power plant and offer suggestions for changes. Safety and protection systems form part of the original design projects for Western nuclear plants, and they account for 10 percent of the plants' overall cost, whereas in Bulgaria they do not even represent 1 percent of the plant's cost, claims Major Mikhail Stoyanov, chief of the district police department in Kozloduy. Major Stoyanov, who recently completed a training course in the United States, declares that no other nuclear power plant in the world is guarded by the police. In the State of California 250 highly trained officers protect a nuclear plant with two reactors. Our nuclear power plant, equipped with six reactors and extending over several hectares, is guarded by far fewer police officers.

Specialists claim that the Kozloduy Nuclear Power Plant lacks even elementary mechanical protection devices, such as hedgehogs and reinforced barriers against forced entry by vehicles. Two years ago, infrared television monitoring systems were purchased, but they have not yet been installed. "The absence of a consistent security policy for the Kozloduy Nuclear Power Plant, an underestimation of the risks, a lack of money to install technical systems..."—these are only some of the findings of experts from the Interior Ministry who assessed the security situation at our nuclear plant and sent their report to the competent state organs. Among other things, the specialists propose the creation of several levels of security around the nuclear power plant, the installation of automated systems for permitting entry to the different zones, and a specialized security guard system.

All this will cost a lot of money, of course. Underestimating the dangers may cost a lot more, however. "A man who has a beard should carry a comb," our grandfathers used to say during the time of gas lamps. If they had had nuclear power plants then, they would no doubt have said: "He who has a nuclear power plant should guard it!" All the more so because what is at stake is not merely the safety of a single house, but the safety of all of us, of the whole of Europe.

Pramatarski Visits Greece, Reaches Trade Agreement

AU1509202192 Sofia BTA in English 1900 GMT 15 Sep 92

[Text] Sofia, September 15 (BTA)—Trade Minister Aleksandur Pramatarski paid a two-day visit to Greece at the invitation of the Thessaloniki Fair. He reached agreement on a liberalization of Bulgaria's trade with Greece. The specific questions will be considered soon by experts of the two countries, BTA learnt from the Trade Ministry.

There is hope that Greece may lift the restrictions or bans on the import of 15 commodity groups: China and faience, textiles and ready-made clothes, towelling articles, carpets, hydrated lime, packaging glassware and paper, polyester wool, matches, honey, etc.

Even though the restrictions were unilaterally Greek, Bulgaria has invariably had a trade surplus with Greece. The balance was negative for the first time in the first half of this year: 90 million dollars' worth of exports against 137 million dollars' worth of imports. That was

due, apart from the embargo, to the halt of the inflow of Soviet raw materials which Bulgaria used to process into chemical and petrochemical exports.

Greece agreed to ask from the EC an increase of lamb and textile imports from Bulgaria.

Only 14 Bulgarian companies take part in the Thessaloniki fair, which will go on until September 22. They exhibit their wares on a total of 200 square metres of indoor space and 80 square metres outdoors. The presence is small because the freight and rent expenses are still unaffordable to most Bulgarian exhibitors.

Mr. Pramatarski met with Greek and Cypriot ministers and negotiated a Bulgarian exhibition in Thessaloniki in November, to reciprocate a Greek exhibition held in Sofia in May.

Government Discusses Problem of Turkish 'Exodus'

AU1509172092 Sofia BTA in English 1521 GMT 15 Sep 92

[Iva Toncheva report]

[Text] Sofia, September 15 (BTA)—Once again, Bulgaria's ethnic Turks have been emigrating to Turkey on a mass scale for several months now. Unlike the time of the communist regime, when the Bulgarian Turks were forced to leave the country, they are now going to Turkey for economic reasons. The government has already commissioned experts to draft a plan with a range of measures to solve the problem.

"The situation is really tragic," admitted the president's legal adviser Plamen Bogoev after a recent visit to the areas with compact Turkish population. A team of the office of the president is conducting a special study of the areas of mass emigration.

These areas are poor in resources, industrial production in the countryside is limited to small-size operations. Tobacco growing, a staple livelihood of the local people, has been halved from last year as tobacco is purchased at too low prices. Stock breeding is hard to keep up, too. Many of the plants are restructured, workshops and entire enterprises go out of business. A number of ore mines have been recently closed down as money-losers or major environmental polluters. In Krumovgrad (southern Bulgaria) the unemployment rate is 45 per cent, thrice the national average. Years ago men in these areas sought work in other parts of the country but now they can only help raise tobacco.

There is yet another, non-economic reason for the current exodus. Many of the Bulgarian Turks' families have been divided by the previous wave of emigration and they are now looking for ways to reunite.

According to the president's adviser on ethnic matters Mikhail Ivanov, the Turks are concerned by the slow changes in the police and administration at the local level. He rates nationalistic sentiments as a weaker but still effective factor.

"For more than eleven months the government has made no effort towards any change," says Mr. Mehmed Hodzha, M.P. [member of parliament] of the Movement for Rights and Freedoms, quoted in the latest issue of the 168 CHASA weekly. The exodus is one of the key points for which the Filip Dimitrov cabinet has been drawing fire from the movement for some time now.

A coupie of days ago the government formed a commission chaired by historian Bobi Bobev to draft a plan including a range of measures which are supposed to solve the emigration problem. Prime Minister Filip Dimitrov hopes that all previous studies of various commissions with the office of the president, the Ministry of Labor and Social Affairs, Sofia University and the Confederation of Independent Trade Unions will be consolidated and used by the government commission. "It is unrealistic to seek a comprehensive solution," the prime minister said. There are divergent tendencies in the areas affected by the emigration wave and the commission is supposed to find out before the end of the autumn which are the most important ones: The social, the economic or other, latent ones.

Government commission chief Bobi Bobev intends to hold first a working meeting of all experts who have been in any way concerned with the emigration problems. Mr. Bobev stood up for the cause of the Bulgarian Turks during the 1989 mass exodus in which Turks were driven out of Bulgaria.

The Ministry of Industry is working out programmes for alternative employment for the people of the eastern Rhodopi mountains made redundant by the closure of the mines. Part of the money for relocation are coming from the EC and Japanese experts will help rehabilitate the heavily polluted areas. Along with the ministry's action, the regional governors are working on their own job-creation programmes encouraging the establishment of small- and medium-sized businesses.

Zhelev Gives Conditions for Attending SDS Meeting

AU1509174092 Sofia Khorizont Radio Network in Bulgarian 1630 GMT 15 Sep 92

[Statement by President Zhelyu Zhelev, read by spokesman Valentin Stoyanov; place not given—live]

[Text] I am authorized to declare that Zhelyu Zhelev, president of the Republic of Bulgaria, will participate in the conference of the Union of Democratic Forces [SDS] scheduled for 18 and 19 September 1992, under the condition that the entire conference be made accessible to the Bulgarian public through the mass media—namely, radio, television, and press.

We are neither communists nor conspirators that make policy in the dark. We have nothing to hide from the people. Whoever is afraid of total media coverage cannot be a democrat and cannot rely on the people's confidence, which applies to the SDS electorate in particular.

Our voters should know everything about each of us.

Constitutional Forum Supports SDS Criticism

AU1509180092 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 15 Sep 92

[Text] Zhelyu Zhelev, president of the Republic of Bulgaria, met with the leadership of the Bulgarian Constitutional Forum that voiced its support for the president's views expressed in his meeting with reporters on 30 August 1992.

The situation in the country was discussed. President Zhelev declared that Bulgaria is facing the dilemma of either implementing the reforms in a democratic manner, provided that the Union of Democratic Forces [SDS] is strong enough to win sufficient social, political, trade union, and extraparliamentary political force support, or of selecting the administrative method based on various decrees and structures of the apparatus, a method that always involves the danger of applying elements of dictatorship in society.

Ministry Denies Revival of Political Police

AU1509194292 Sofia BTA in English 1006 GMT 15 Sep 92

[Text] Sofia, September 15 (BTA)—General Bogomil Bonev, chief secretary of the Interior Ministry, denies in an interview for today's DEMOKRATSIYA claims that the political police in Bulgaria is resurging.

Ahmed Dogan, leader of the ethnic Turks' Movement for Rights and Freedoms, said in an interview on national radio on Sunday [13 September] that his telephone was being tapped and he could give proofs.

General Bonev says for today's DEMOKRATSIYA that the special services have not been asked for and have not granted permission for the tapping of telephones of Bulgarian politicians and MP's [members of parliament].

He said that since September 10 the Interior Ministry has found out that former and present officers of the National Security Service have taken illegal actions. "They implied there was such a danger, even though it did not exist," General Bonev says. According to him, these actions are directed against the cabinet's policy and the leadership of the Interior Ministry.

General Bonev says the ministry's leadership will order the director of the National Security Service to make an immediate investigation "to find out who spread the absurd allegations."

KNSB Withdraws Support for Economic Policy

AU1509201692 Sofia Khorizont Radio Network in Bulgarian 1900 GMT 15 Sep 92

[Text] At the request of the Confederation of Independent Trade Unions in Bulgaria [KNSB] a meeting was held today between President Zhelyu Zhelev and KNSB Chairman Prof. Krustyu Petkov.

The deputy chairman of the Confederation and the chairmen of the Bulgarian Teachers' Union and of the KNSB Trade Union of Medical Workers also attended the meeting.

Let us listen to Ivan Neykov, deputy chairman of the KNSB, who will provide more details on the meeting:

[Begin Neykov recording] In opening the meeting Prof. Petkov submitted a memorandum to the president explaining the stand of the KNSB on the economic reform. The president was also informed at today's meeting of the leaderships of the KNSB and the Podkrepa Labor Confederation with representatives of the International Monetary Fund and the World Bank. The president was also briefed on the fact that at the aformenetioned meeting Prof. Petkov actually declared in a categorical manner that trade unions in Bulgaria are withdrawing their support for the government's economic policy. We no longer consider it necessary and effective to cooperate with the government, considering that our ideas on the reform and on economic policy are diametrically opposed to those of the government.

The president was informed by the representatives of the two trade unions present at the meeting about the enormous problems they are facing.

The president expressed his gratitude for the briefing and once more confirmed his stand that he had declared on several occasions, namely that under the circumstances of transition, a dialogue must by all means be conducted with the trade unions. He stated as follows: I cannot understand the logic of the government in seeking confrontation with the trade unions. [end recording]

Anti-Crime Official Views 1992 Narcotics Seizures

AU1509194092 Sofia BTA in English 1057 GMT 15 Sep 92

[Text] Sofia, September 15 (BTA)—Thirty-one attempts to smuggle drugs through Bulgarian border checkpoints have been intercepted since the beginning of this year, and the Bulgarian customs officials confiscated almost 200 kg of drugs. 116.5 kg of them were heroin and the remaining hashish, marijuana, and opium.

Twenty-three of the total of 41 intercepted attempts to smuggle heroin in 1991 were related to the "Balkan connection," and 70 per cent of the 5.5 million tonnes

[figure as received] of heroin intercepted in Europe in 1990 passed through the Balkans.

According to data cited by the officer of the Central Service for Combating Organized Crime, Nikolay Gadzhev, 74.5 kg of heroin were confiscated in the 21 intercepted attempts to smuggle drugs through Bulgarian territory; in 1988 the intercepted attempts were 27 and the confiscated heroin 164.1 kg; in 1989 the intercepted attempts were 39 and the confiscated heroin 238.7 kg; and in 1990 there were confiscated 182.6 kg of heroin.

The main vehicles used by drug traffickers are TIR [International Road Transport] trucks, buses, and cars, and to a lesser degree international trains, in which the identity of the traffickers often remains unknown.

Almost 90 per cent of the intercepted attempts to smuggle drugs through Bulgaria were perpetrated by Turkish citizens. They are followed by Yugoslavs, Iranians and Arabs. The number of East Europeans has recently increased.

According to Nikolay Gadzhev, Bulgaria's geographic location predetermines the use of its territory as a main transit point in the traffic of drugs from the Middle East and southwest Asia to Western Europe and North America.

Yesterday Bulgaria signed an intergovernmental agreement with Germany for cooperation in combating organized crime. The agreement also provides for cooperation in combating drugs trafficking and the illegal trade in drugs.

Klaus Leaves for United States Visit

AU1609135092 Prague CSTK in English 2006 GMT 14 Sep 92

[Text] Prague Sep 14 (CSTK)—Czech Premier Vaclav Klaus today left for a five-day visit of the United States, to take place on the eve of the International Monetary Fund (IMF) and World Bank annual conference.

The Czech premier will address an American Economic Association conference in Dallas and the world congress on economic development in Washington.

On September 18, Klaus will meet in Washington with White House Chief of Staff James Baker, National Security Adviser Brent Scowcroft and Deputy Secretary of State Robert Zoellick. He will also talk with World Bank President Lewis Thompson Preston, IMF Managing Director Michel Camdessus, and others.

How to integrate the world and maximize admission to foreign markets is the topic of the American Economic Association conference and the world congress on economic development organized by the television news agency CNN, said Klaus shortly before takeoff.

"Everyone sees an increase in attempts at protectionism in the world, we see it all around us from all sides, so it is not by chance that the conferences in Dallas and Washington are devoted to the topic of integration into the global economy," said Klaus.

It is not a coincidence that U.S. President George Bush spoke recently about his plan to open a free trade zone with three world regions, he added.

Klaus stated that it would be "absurd to open a free trade zone with the United States before Europe" under the circumstances. He termed Bush's proposal of last week to open a free trade zone between the United States on the one side and Czechoslovakia, Hungary, and Poland on the other an indirect appeal to the European Community.

Relations of Czechoslovakia and the Czech Republic to the IMF and the World Bank will be the topic of discussions in Washington between Klaus and representatives of those institutions.

Klaus said that problems of succession to Czechoslovakia will also be discussed. It is a matter of how quickly, painlessly, and smoothly Czechoslovakia can make the shift to two republics as members of these organizations, he stressed.

Czech-American relations will then be the topic of discussions with U.S. Secretary of State Lawrence Eagleburger, Baker, and other administration representatives, said Klaus.

Klaus Addresses Assembly on Referendum Issue

LD1509165192 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1630 GMT 11 Sep 92

[Portion of address by Czech Premier Vaclav Klaus to deputies of Chambers of Nations and People at third joint session in Prague on 11 September; in Czech—recorded]

[Text] We do hear, here as well as elsewhere, a number of smooth arguments in favor of a referendum. The route that we choose in our politics will have to be, first of all, a route that can be followed to the end. Otherwise, it is always the citizens who lose. We have no right to allow anything of the kind. We are faced with a situation today when even some from among opposition parties have come to the conclusion that the agreement with the present Slovak political representation on maintaining a sensible federation is not possible. Of course, this is not any negation of the indisputable fact that both the Czech and the Slovak public are split on the matter. If there is a referendum on the continuation or termination of the federation, undoubtedly, there will be a large number of people who will speak in favor of the federation, if for no other reason than the fact that their sentimental attachment to the idea of Czechoslovakia prevents them from even considering what the Slovaks wish or do not wish.

There is also a similar problem of knowing one's whereabouts in all the turns of the state set-up issue in Slovakia. We are well aware that a number of people simultaneously demand a common state and the independence of Slovakia. Should the advocates of the form of common state win in the referendum in this confused situation, we do not think it would be possible for the common state to be preserved even if the referendum produces such an outcome. The only result would be that the federation would continue to disintegrate, and this time in a totally unchecked and chaotic way.

For me and the Christian Democratic Party, all this means only one thing: The state set-up must at the moment be decided only by this legislative body [Federal Assembly]. Both the Movement For a Democratic Slovakia and the Christian Democratic Party have become, even here today, the target of complaints saying that fundamental issues of the state set-up are being resolved by them at bilateral talks, and that such meetings are not representative. This is not true, and I must refute the accusation in no uncertain terms. Far from warranting contempt, talks between the strongest parties of the government coalition are useful and necessary in order that the state bodies may continue working unimpeded.

The Movement for a Democratic Slovakia and the Christian Democratic Party do not wish to, and indeed cannot, decide on their own and to the exclusion of others on the division of the state or the form of the future coexistence of the Czech and Slovak Republics. And they are not doing so either. They have, however, the duty of coordinating and unifying their approach if

only because otherwise the political scene is threatened by chaos and disintegration.

Meciar Addresses Economic Issues in East Slovakia

AU1509192892 Prague CSTK in English 1820 GMT 12 Sep 92

[Text] Bratislava [dateline as received]— Asked how the Slovak Government intends to realize its economic reform given a budget deficit, Slovak Premier Vladimir Meciar has said "the Government will borrow money abroad." "Yet, he said, this money must not be eaten in, but reasonably invested so as to bring profits in the near future." [sentence as received]

Speaking at a public meeting in Michalovce, East Slovakia, Friday [11 September], Meciar said Slovak representatives are currently holding intensive talks with foreign governments to ensure for Slovakia access to foreign markets and promote trade. He mentioned as an example his meetings with the representatives of Russia, Ukraine, Germany, Austria, Hungary, and other countries.

[Prague MLADA FRONTA DNES in Czech on 12 September on page 2 carries a 200-word CSTK report on the Movement for a Democratic Slovakia rally in Michalovce. It includes the following passage: "Vladimir Meciar also communicated his government's negative stand on the planned increase in the price of gasoline. As he said, this increase in not due to an increase in the price of crude oil but is determined by (an increase in) the sales tax, on which Slovakia loses 8.5 billion korunas [period not specified] through deliveries to the Czech Republic."]

HZDS Gives 'No Preference' To Termination Form

AU1509193692 Prague CSTK in English 2019 GMT 11 Sep 92

[Text] Bratislava [dateline as received]— The Movement For a Democratic Slovakia (HZDS) gives no preference to any of the four ways for ending the Czechoslovak Federation, which were today under discussion in the federal parliament, HZDS Spokesman Bohuslav Geci told CSTK today.

He said the HZDS considers the possibility of one of the republic's (Czech or Slovak) unilateral walkout of the Czechoslovak Federation unlikely. However, in case the Czech Republic chooses to behave in such a way, it should not be prevented from doing so, he added.

Geci said for the HZDS any variant approved by the Federal Government will be acceptable.

NATO Commander in Chief Begins Visit in Prague

LD1509140792 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1930 GMT 14 Sep 92

[Text] General Henning von Ondarza, commander in chief of the joint NATO forces in Central Europe, is visiting Czechoslovakia at the invitation of the Ministry of Defense. Speaking at a news conference in Prague today, he expressed confidence that in the weeks to come it will be possible to draft a valid treaty on a cease-fire in the former Yugoslavia.

Lieutenant General Karel Pezl, chief of the Czechoslovakia General Staff, told journalists that the Army has alternatives ready concerning the forms of division which will be discussed by the state Defense Council at its next session.

Gen Henning von Ondarza will hold talks with representatives of the Czechoslovak Army and will visit army units and military installations.

Finance Minister Views Issue of Two Currencies

LD1509185992 Prague Stanice Ceskoslovensko Radio Network in Czech 1600 GMT 14 Sep 92

[Interview with Jan Klak, CSFR finance minister and chairman of the Financial Council, by correspondent Barbara Tacheci in Prague on 14 September—recorded]

[Excerpts] [Tacheci] The development of the aggregate state budget up to now looks quite favorable. The aggregate budget shows almost 3 million korunas in surplus as of 31 August. However, if I am not mistaken, the IMF forecasts a deficit in all three of our budgets at the end of this year amounting to several billion. Mr. Minister, what is your forecast?

[Klak] I would not take too seriously what the IMF says. We have slightly different information. Today, at the Financial Council session, we went in detail through the budgets of individual republics. I think that the forecast is far from being as horrible as the one that you have indicated. We will really try to preserve balanced budgets, even though the trend towards deficit is quite substantial. [passage omitted]

[Tacheci] Do you think that in the event that there is a deficit at the federal level it should be divided at a ratio of 2:1 as is the general proposal?

[Klak] No, there are several solutions. At this moment, we would be speculating if we said that it would be a division at a 2:1 ratio. That is still a matter for further discussion and agreements.

[Tacheci] Czech Finance Minister Kocarnik told Radio Czechoslovakia some two weeks ago that in his opinion it would be more advantageous, for both the Czech and the Slovak side, to introduce two independent currencies already as of 1 January next year. What is your opinion?

[Klak] First, it is a matter of the productivity of the economies and the question of the economic policy that is going to be implemented in individual republics. I will give you now an extreme example. If one republic did draw up an a priori deficit or high deficit budget to stimulate economic development through such an expansive budget and if the other republic kept balanced

or the best possible balanced budget, then a single currency could hardly exist. That would result in imposing on one republic the inflation impulses that are caused be the deficit budget on the territory of the other republic. The question of a single or common currency would in such a situation be really a short term matter.

[Tacheci] Does the Slovak Government policy statement not leave you with the impression that within the context that you have just mentioned it would more advantageous to the Czech side to separate the currencies right at the beginning of the next year and not to wait?

[Klak] It is not so much the question of preserving single currency. As an economist I believe that the currencies will become separate, i.e. maybe as soon as 1 January there will be different currencies on the territory of each republic. This question is from an economic point of view a matter of exchange rates of these currencies, whether it is going to be a 1:1 ratio or some other. I personally believe that provide what I have just mentioned does not happen, i.e. radical split of these two economies, that the 1:1 ratio is realistic during a certain period. In the event that the two economies behave differently, follow different rules, then we could maintain the exchange rate only for a short time even if we started off with the 1:1 ratio.

'High Treason' Charges Filed Against Klaus

AU1509174992 Bratislava NARODNA OBRODA in Slovak 12 Sep 92 p 2

[CSTK report: "Prosecution of Vaclav Klaus Initiated"]

[Text] Prague— The CSFR General Prosecutor's Office was asked yesterday to initiate criminal proceedings against Czech Prime Minister Vaclav Klaus on charges of high treason according to Article 91 of Law No. 392 of 1992. The charges were filed by 23 Federal Assembly and Czech National Council deputies for the Association for the Republic-Republican Party of Czechoslovakia [SPR-RSC]. Asked why the Republicans filed the charges, SPR-RSC Chairman Miroslav Sladek said that, on the one hand, he is of the opinion that laws are still valid in the CSFR and, on the other, deputies took an oath of loyalty to the CSFR. "They should therefore be kind enough and fulfill what they promised," Miroslav Sladek added.

Kalvoda Comments on Differences in ODA Leadership

AU1509143292 Prague CESKY DENIK in Czech 12 Sep 92 pp 1, 2

[Interview with Jan Kalvoda, Czech deputy prime minister and chairman of the Civic Democratic Alliance, by Pavel Safr and Michal Musil; place and date not given: "I Am No Romantic"]

[Excerpt] [passage omitted] [CESKY DENIK] Let us now move toward developments within the Civic Democratic Alliance [ODA]. Can latest trends within the alliance be described as a shift toward liberalism and the political center?

[Kalvoda] As far I know, no ODA representative has ever spoken about a shift toward the center of the political spectrum, not even Vladimir Dlouhy. What is taking place within the party is definitely no tension and no split but a natural discussion.

[CESKY DENIK] One also speaks about personnel changes. ODA representatives Daniel Kroupa and Pavel Bratinka are becoming targets of criticism.

[Kalvoda] There is nothing illegitimate about speaking about personnel changes in a political party. Party representatives bear responsibility for what they do and, in the spirit of this responsibility, party members deliver their opinion on the party's representatives. Plurality within a party is a desirable phenomenon.

[CESKY DENIK] Is it possible to speak about the party's shift toward a pragmatic policy?

[Kalvoda] I would rather speak about making our activity more efficient. I certainly would not assess the development within the alliance as an internal struggle between pragmatists and the party's founders.

[CESKY DENIK] Do you not think that dissidents are being systematically pushed out of politics?

[Kalvoda] I do not see it that way. This is a somewhat forced explanation.

[CESKY DENIK] Do you think that ODA has a message to deliver to the public today? After the elections, it was the Civic Democratic Party that took over the initiative to resolve the constitutional crisis.

[Kalvoda] ODA is not a single-issue party. Moreover, as regards the issue of the state setup, there no longer is anything new to be resolved. I think that ODA definitely has its irreplaceable role to play on today's political stage. I am no romantic, however, and, should it become apparent that ODA no longer has a place in the political spectrum, it will be necessary to make a pragmatic decision.

Defense Minister Concerned Over Conflict Risk

PM1409150892 Copenhagen BERLINGSKE TIDENDE in Danish 8 Sep 92 p 7

[Report on interview with Hungarian Defense Minister Lajos Fur by Michael Kuttner in Budapest; date not given]

[Text] Budapest—Hungary's defense minister has problems sleeping. Every morning when Lajos Fur wakes up Eastern Europe has changed and "yet another country has come into existence on the other side of the border."

"This would in itself not be such a bad thing, if all these political and military conflicts did not come along in their wake."

When Fur leaves for Denmark tomorrow for an official visit, his host, Defense Minister Knud Enggaard, must prepare to listen to the frustrations of his otherwise cheerful and sociable guest.

In the last year both the Soviet Union and the Soviet-dominated Warsaw Pact have been disbanded. Yugoslavia is in the process of destroying itself in a war that extends as far as Hungary's backdoor on the Balkans. At the same time a dozen new countries have come into existence, including Ukraine, Croatia, and Slovenia, all sharing borders with Hungary. At present Czechoslovakia is falling apart.

Everywhere there are large Hungarian minorities, for whose safety Fur's government feels "completely responsible."

"Yes, my sleep is a little more depressed than it usually is," the 62-year-old Fur confirmed in an interview with BERLINGSKE TIDENDE. The defense minister added, however, that he is far from desperate.

"The problem is that we cannot afford to modernize and streamline our military, even though the situation does indicate that this is the thing to do. At the same time we are not members of any alliance—indeed, we are not even members of the nonaligned movement. We are not really under any security umbrella."

Lajos Fur also views the West's relations with Eastern Europe with some concern.

"People know our problems, but often show reserve, or even indifference. People look at us with the wisdom of the outsider. But you are not outsiders... well, perhaps you are at the present time, but no one can say that this will continue to be the case."

If you ask whether Hungary is satisfied with its membership of the North Atlantic Cooperation Council—set up by NATO after the East Europeans begged in vain to be allowed all the way in under the umbrella—the answer comes: "We have to be satisfied. We have no other choice."

Lajos Fur made a sweeping gesture:

"Just look at our situation.... Yugoslavia is of course the most serious thing, particularly for us, because half a million Hungarians live in the province of Vojvodina and their fate is uncertain. The war could easily spread to Kosovo, Macedonia, Montenegro—yes, even to Hungary. The split in Czechoslovakia also gives cause for some concern. Some 600,000 Hungarians live there. In the former Soviet Union things are relatively peaceful, at least in the areas close to us. But in other parts there are conflicts that are not reassuring. The war in Moldova could easily spread to the Ukraine, Belarus, and Romania. The whole region could go up in flames. And this is no nightmare scenario. It is quite realistic."

What should the West do?

"The West must be strong, and adopt a very tough stance. Unfortunately this has not happened yet."

Is the minister thinking about armed intervention?

"I will content myself with saying that it should react more toughly than hitherto."

Will Hungary send troops to Vojvodina if the lives of the Hungarians who live in this Serbian province are threatened?

"We cannot because that would mean war, and the conflict would spread further. At present, we really do not know what we should do."

Reviews Talks in Denmark

LD1609051992 Budapest Kossuth Radio Network in Hungarian 0500 GMT 12 Sep 92

[Text] [Announcer] The Yugoslav situation was discussed at [Hungarian Defense Minister] Lajos Fur's talks in Denmark, too. The minister of defense arrived home late last night and gave an interview to [correspondent] Levente Suekoesd at the Toekoel Airport.

[Begin recording] [Fur] We discussed important issues that show that there is a great need to establish bilateral military cooperation because so far there has been none whatsoever. One of the fundamental matters we discussed was the general issue of European security, how the region's security could be better guaranteed in general. In this respect there was just a brief mention of NATO. We both represented and voiced the known stance. We indeed know how important a safer life would be in this region; NATO perhaps should or could pay more attention to these questions.

In the second half of the year Denmark will chair the EC for half a year and from this point of view it is useful for the Danish Government to be better informed on these issues, too.

[Suekoesd] Was there mention of the Yugoslav situation?

[Fur] Of course. An important topic was that it would be desirable if the UN observers came to Hungary as soon as possible. The Hungarian Government has already

requested this several times. Perhaps the other side, too, could be more active from this point of view.

[Suekoesd] Did the Danish side make any promise?

[Fur] It is a fact that they will considerably increase the number of UN soldiers, military forces staying in the territory of the former Yugoslavia. If I am right, their number will increase by some 6,000 in the near future.

[Suekoesd] What do the Danes think of Hungary's internal stability?

[Fur] They see it more stable than we do from the inside. They are worried about developments taking place around us. Recently they have been concerned about the separation of the Czechs and Slovaks, too—the ethnic minority problem of the region in general which is virtually a new thing for some Western politicians and government members. [end recording]

Plan Views Army Head, Staff Chief as 1 Position

LD1509155492 Budapest Kossuth Radio Network in Hungarian 1200 GMT 14 Sep 92

[Text] According to the defense portfolio, the Army's leadership will be more effective if one and the same person were to hold the office of commander and chief of staff. This was said by the Defense Ministry spokesman after Minister Lajos Fuer addressed the matter to the Constitutional Court. He wants to know whether the two offices can be joined into one without a constitutional amendment. Spokesman Lajos Erdelyi said that this solution is employed in the West as well. Incidentally, the portfolio is preparing two versions of the defense bill, about which six-party consultations are under way.

Industry Minister Views Crisis Factors

AU1609115492 Budapest MAGYAR HIRLAP in Hungarian 10 Sep 92 p 9

[Interview with Industry and Trade Minister Ivan Szabo by Sara Pogany; place and date not given: "The Ministry's Industry Policy Concept Will Be Completed by November—Services Should Be a Leading Branch Here, Too"]

[Text] The new medium and long-term industry policy concept of the Industry and Trade Ministry (IKM) will be completed by November. We learned this from Ivan Szabo, who also analyzed the signs of crisis in industry and the issues of unemployment closely related to this.

[Szabo] A medium and long-term industry policy concept will be completed in November which, considering clearly the market possibilities, will define the gap—metaphorically speaking—between the door and the threshold through which the Hungarian industry can "get a foothold." Through this, we will establish the framework of the new rules of the game, but we will have to play this game together with the participants of the economy. It does not make much sense for the government to run backwards and forwards in front of the black-and-white chess board and play alone.

[Pogany] It is obvious that one has to start from the current situation when drafting a new concept. I am referring to the fact that industrial output decreased by 50 percent in the past few years. We have to face a considerable loss of markets in several areas, and face other problems that surfaced as a result of increasing unemployment. What are your views on the most important features of the current situation?

[Szabo] In an economic sense, the country is mainly suffering because of the crisis of heavy industries. Let us look at them one by one, beginning with mining. The number of people employed in mining has radically decreased in the developed European countries in the past 10-15 years. Between 1960 and 1985, 10 out of 11 miners in Britain, 11 out of 12 in Belgium, and 14 out of 15 in France left this industry. This number fell by half in Hungary between 1965 and 1985, and it is expected to decrease further and stabilize at 20,000-25,000 people. However, there are 80,000 retired miners in Hungary whose coal grant was produced by 122,000 miners in the past but, as I have mentioned, this number has been halved. I ask, on what basis would we withdraw the coal grant from the retired miners? This is a typical situation when the government has to step in which, naturally, has effects on the budget. The crisis of the alumina industry is well known in the world. Nevertheless, in spite of the outdated machinery, this branch successfully changed over from the eastern markets to the west. Energy industry: Many people may be shocked at what I am going to say but, according to the latest statistics, it requires 0.2 people to produce one megawatt capacity in the developed countries, while we need 1.1 people. It is likely that at least four-fifths of people employed in the energy industry branches will not be needed. This proportion is 1:5 in engineering. The position of metallurgy is well known. To produce 600 kilotons of steel in a small steel plant requires 600, rather than 8,000, people. These are the roots of the crisis factors. In addition to this, agricultural workers also find these times hard to get through. In my view, some 400,000 people will have to leave agriculture by the turn of the century. The situation of agriculture is also difficult because the EC is not welcoming Hungarian agriculture with open arms.

Returning to the list of crisis phenomena, we unfortunately have to realize that the level of unemployment reached the 8-11 percent European level which will leave a long-term effect. Of course, the 8-11 percent has to be seen as a constantly changing and rotating group because, in a market economy, the bankruptcy of businesses and banks is a natural phenomenon while others are being established.

[Pogany] Facts are stubborn things, but the general mood of the people also has to be taken into consideration. In addition to unemployment, they talk about world market prices and Albanian wages. They blame the

government, parliament, or democracy for this, according to their own understanding. What is your view on this?

[Szabo] Unemployment in itself is bad. The government is working on modernizing the unemployment benefit system because the experience of the past 18 months has shown that it is not encouraging for people to take up employment. Lack of skills must undoubtedly be one of the reasons, just as the fact that many people find it hard to read and write which does not make it easy to retrain them. At the same time, others take a comfortable position and do not take on a job even if their earnings would be a few thousand forints higher than their benefits. The number of people working while also receiving unemployment benefits has also decreased. One of the determining elements of the government concept directed at the change will be the intent to increase interest in finding employment through reducing the intervals. It is possible that the future unemployed will receive twice the amount of the minimum wage in the first period, then 1.5 times, and later on exactly the amount of the minimum wage in benefits.

As for the interdependence of wages and prices, because of the well-known situation of the economy, we cannot expect large wage increases in the short term. I would like to add, though, that the amount of wages in Hungarian products is not less than anywhere else in the world. However, there are five people to one unit of work, while this number can be as little as one in developed countries. It is a fact that the population's income decreased by 10 percent and the gross domestic product [GDP] decreased by 8 percent. Some 950 billion forint savings of the population is on the other side. This means that we are not producing or earning, but saving. According to 31 August 1992 figures, the amount of local government savings reached 70 billion forints, which almost covers the increase over the planned level of budget deficit. Enterprising will be the fundamental interest of banks because they will sooner or later go bankrupt if they do not have the funds to pay the interest on the population's savings. The fact that revenue from privatization will be less next year because of the privatization laws is also a factor that has to be taken into account at the 1993 budget debate.

[Pogany] Although the debate of the 1993 budget guidelines has started in parliament, how big of a budget deficit are you expecting?

[Szabo] This depends on whether we determine the level of the deficit as 5 or 7 percent of the GDP. If it is 5 percent, then the deficit can be 150 billion forints, and at a medium level, it can be 180 billion.

[Pogany] Returning to the beginning of the interview, what is the situation for the many hundreds of thousands of people who are expected to become unemployed? What prospects do they have?

[Szabo] I am convinced that the situation can sooner or later be resolved by modernizing the industrial structure and stimulating enterprises. This is one of the aims of the Credit Guarantee Ltd. [Hitelfedezeti Garancia Rt.] that was set up by the government. Together with the hopefully emerging new ones, the already existing individual and collective enterprises will be able to absorb a considerable proportion of the unemployed, mainly in the entrepreneurial, commercial, and service areas. The service industries will hopefully become a leading branch in Hungary, too, and we will be able to move from the current 30 percent level to the 60-65 percent level common in developed countries.

Suchocka, CSFR's Klaus Meet, Discuss Relations

AU1609070192 Prague CSTK in English 1848 GMT 13 Sep 92

[Datelines as received]

[Text] Rudawa near Miedzylesie Sep 13 (CSTK)—Czech Prime Minister Vaclav Klaus and Polish Prime Minister Hanna Suchocka met for a two-hour informative meeting in the border village of Rudawa, near Miedzylesie, in Poland.

At a briefing after the talks, Klaus said both sides want to use the Visegrad "Troika" (regional grouping associating Hungary, Poland, and Czechoslovakia) to enhance bilateral relations and gradually form a "broader" Central European institution which should be "nonbureaucratic."

Prague—Klaus described the proposal by U.S. President George Bush to open talks on creating a free trade zone also for the Visegrad "Troika" countries as very interesting for Czechoslovakia.

In an interview for CSTK at Dolni Lipka, east Bohemia, Klaus said: "If I manage to meet George Bush during my upcoming visit to the United States, I won't forget to ask him about it."

In his key pre-election address on economic issues in Detroit, United States, on Thursday (10 September), Bush said he plans to discuss with the Central European countries agreements on the creation of a free trade zone for them and North America.

Adviser Interviewed on Suchocka-Klaus Talks

LD1509130492 Warsaw Radio Warszawa Network in Polish 1410 GMT 14 Sep 92

[Text] The Polish and Czech prime ministers have met unexpectedly in the "Orlica" private vacation home in the Bystrzyce mountains. What were they talking about? Krzysztof Grzesiowski has interviewed the prime minister's press adviser, Zdobyslaw Milewski:

[Begin recording] [Grzesiowski] The meeting between Prime Minister Hanna Suchocka and Czech Prime Minister Vaclav Klaus took place yesterday. One must admit that relations between Polish politicians and their Czech counterparts have been quite close recently. I recall the visit by [Federal President] Vaclav Havel, and now this meeting. Why was it so unexpected, mysterious, and without any information?

[Milewski] It was not completely unexpected. I remind you about another meeting between Polish and Czech politicians. The minister of foreign affairs was here less then two weeks ago. Even then, the meeting between Prime Minister Suchocka and Prime Minister Klaus was announced to take place soon. However, the fact that it did not have wide press coverage resulted first from the fact that it was of an informal nature. It was the first meeting between the two prime ministers, and apart from other goals had the aim of allowing the two politicians to get to know each other.

[Grzesiowski] However, they talked about very important matters: the formation of the free trade zone; the construction of the new border crossings. So far, our cooperation has been based on the so-called Visegrad triangle but because Czechoslovakia will split into two sovereign states—Czech and Slovakia—these economic relations must have new dimensions.

[Milewski] Yes, economic relations have to gain new dimension not only because Czechoslovakia is splitting into two states. These economic relations must become intensified. The formation of this free trade zone that was discussed yesterday must be speeded up. Both politicians agreed that this process of formation of the free trade zone planned for eight years must be radically speeded up. There was talk about evea four years. I would like to say that it was a very general conversation and details were not discussed. The details by their nature must be worked out on a lower level during working meetings. As far as the Visegrad group is concerned, I think that an important element was the will on both sides to keep this group working. Vaclav Klaus suggested to aim at a kind of parallel to G-7, that is, the group of industrial states, and form what he called a G-4, that is, the group in which bilateral relations between all partners of this group are important first of all, and consultations and coordination cover the entire organism.

[Grzesiowski] The free trade zone is a matter for the future but the opening of new border crossings will happen soon.

[Milewski] Yes as soon as the technicalities will allow us because the border cannot be simply open without the necessary infrastructure. However, there were talks and agreement that new border crossings must be quickly built and opened.

[Grzesiowski] One more question to sum up. If one may say so, who was more keen to meet: Prime Minister Suchocka or Prime Minister Vaclav Klaus?

[Milewski] I think that the will to meet was equally strong on both sides. [end recording]

Walesa Addresses Police at Training Center

AU1509172592 Warsaw POLSKA ZBROJNA in Polish 10 Sep 92 pp 1, 2

[Unattributed report: "My Presence Here Is An Expression of Recognition For Your Difficult Work"]

[Text] President Lech Walesa visited the Police Training Center at Legionowo outside Warsaw on 9 September.

During a meeting with the Center's commanding officers, members of the Police Trade Union, and representatives of regional police authorities, the president was briefed on problems facing the police community, which is eager to see the introduction of legislation that

will standardize the rules governing the police profession. The president stressed that the army and police, guarding the security of Poland, must have guaranteed stability, and its employees must have a feeling of satisfaction from performing their work.

The president watched police cadets, including females, perform self-defense exercises. "You do that very well," he said, "but I hope you never have to use it on the streets, and if you ever meet an adversary, I hope you will be better than him."

During his talk with the commanders, the president said that although money and equipment are important, dedication and efficiency are even more so. "One should consider the past a closed chapter, so as to commence good work for the welfare of Poland," he said.

The president then delivered a speech. "I was detained and interrogated many times. I did not exactly like the militia in those days. On the contrary, I considered it to be my enemy. But even then I differentiated between those militiamen who were mere tools of repression and those who guarded law and order. I struggled against the former, but respected the latter. I knew their work was useful and necessary.

"I have come to you today full of concern about the constant and increasing crime, frequently involving the use of weapons, and about society's growing fear. My presence here is also an expression of recognition for your difficult work, and for the devotion and dedication of policemen, often incommensurate with the resources at their disposal. I thank you for your service for Poland and its citizens.

"We want the Third Republic to be a law-governed country, a country where the law is equal for all citizens. Lawlessness has to be fought by means of the law. This is a difficult challenge, but I know we will succeed with your help. I know that the police's finances are not in a satisfactory state, just like in other professions. Nevertheless I am counting on your devotion and dedication.

"As president, I would like to give you a permanent feeling of job security. Everyone belonging to the police force joined the police because that was his calling, and he has proven it with his service. Everyone here has the right to continue this service, provided he does not do anything wrong," the president concluded.

Ministry Fails To Punish Economic Offenders

AU1509171992 Warsaw TRYBUNA in Polish 10 Sep 92 p 1

[Mieczyslaw Wodzicki article: "Economic Rape"]

[Text] At the beginning of the year, Justice Minister Zbigniew Dyka imposed a three-month deadline for bringing the people behind major economic scandals to justice. Nine months have elapsed, and nothing has happened. Therefore, Lech Walesa called the minister "on the carpet." "I am disappointed that the deadline was not met," the president was reported as saying. "Trusting the ministry's assurances, I in turn assured society that we would catch the culprits and disclose their dealings. I trusted the prosecutors. Well, now the nation is saying: Walesa, you have cheated us."

The losses caused to the state by various economic scandals that have still not been fully investigated, and whose perpetrators have still not been punished, run into trillions of zlotys [Z]. Corruption, mismanagement, and abuse are undermining the authority of state institutions.

Of the 85,000 or so economic offenses committed last year, in only 75 percent of the cases were the perpetrators discovered, but how many of these were actually punished no one knows. In the first half of this year, tax offices discovered financial frauds totalling 5.5 trillion zlotys. The greatest such frauds occur in banking and the stock market.

Here are a few examples of financial fraud. One firm in Bielsko-Biala declared its turnover to be Z686 billion. But this was only 3.4 percent of its actual turnover. A bank in Lublin deliberately made a mistake in its income tax calculations, and paid Z97 billion less than it should have.

It is not just banks that commit such sins. Five hundred liquor warehouses were investigated, and it was discovered that either they fail to pay the correct tax and customs duties, or they falsify the value of their transactions. For instance, a company in Jelenia Gora importing Czech beer failed to pay about Z8 billion in taxes and duty.

Financial swindles go by different names. They are also known as unjustified profits. A heating appliance enterprise raised its overall prices by Z9.4 billion. In turn, a firm of consultants that was preparing a refrigeration equipment firm for privatization deliberately lowered the value of the firm's assets by Z52 billion.

This is just the tip the iceberg. Experts claim that this so-called "gray economic zone" comprises between 20 and 30 percent of all official business.

Most of these scandals never see the light of day. This is not only because of a shortage of personnel and resources in investigating bodies and tax offices, but also because the perpetrators are inaccessible. They have excellent political connections, apart from which prosecutor's offices are unwilling to deal with these cases.

Finally, there are a great deal of "irregularities" (in other words, fraud) in connection with privatization. Such cases were discovered by the Supreme Chamber of Control. The excuse given by the perpetrators was a "lack of experience in privatization." Evidence has been gathered illustrating that prominent persons have bought the "Biston" and "Roltex" firms for next to nothing, but no proceedings have been started in this matter. And yet these transactions cost the state treasury billions of zlotys and a thousand people lost their jobs.

The judiciary has no time to deal with the thousands of other cases in which the country is losing trillions of zlotys. Let us recall the "money laundering" business in Polish banks involving the transfer of money from the East to the West. No one is being placed on trial, and the money that has been recovered is at a pitifully low figure. However, illegal fortunes are rising before the very eyes of the nation, the president, and Polish justice.

New Evidence in Popieluszko Murder Reported

AU1509135892 Warsaw ZYCIE WARSZAWY in Polish 12-13 Sep 92

[Report by Jerzy Jachowicz and Edward Krzemien: "New Life for the Interior Ministry"]

[Text] "No one tried to talk me into committing suicide," said Grzegorz Piotrowski on Friday [11 September], giving evidence on the second day of the trial of Security Service [SB] generals Wladyslaw Ciaston and Zenon Platek, who are accused of "masterminding and directing" the killing of Father Popieluszko. Piotrowski, let us remember, was convicted in 1985 for killing Father Popieluszko.

According to Piotrowski, the two generals merely masterminded and directed the kidnapping of the priest, not his killing. The death, Piotrowski said, was an unintentional result of the kidnapping, and the three direct perpetrators are solely to blame for this.

If the court were to accept this reasoning, the generals could be sentenced according to Article 165 Paragraph 2 of the criminal code that foresees between two and eight years' imprisonment. Were the court to impose a two-year prison sentence, Ciaston and Platek could be eligible for amnesty. That is why there was no justification for keeping these two men in prison in 1990.

One of the counsels for the defense, Wladyslaw Sila-Nowicki, said he might plead for Piotrowski's release after he has finished giving evidence.

On Thursday and Friday, Piotrowski described in court what his department in the SB, Department Four, did against Father Popieluszko. The kidnapping of and physical assault on Father Popieluszko, an operation code-named "Popiel ["Ash"], was carried out with the approval and inspiration of both Generals Ciaston and Platek. However, they knew nothing about the killing, Piotrowski claimed.

Piotrowski also said that General Czeslaw Kiszczak, interior minister at the time, had complete control over the priest's kidnapping.

In Piotrowski's opinion, already in the middle of September 1984 Kiszczak was acquainted with the plan to kidnap Father Popieluszko. Piotrowski also claims that 10 days before the killing, Kiszczak ordered a special team of functionaries from outside Warsaw to keep an eye on the men who carried out the operation. Bugs were installed in the offices of Piotrowski and other employees, and their homes and personal contacts were observed.

"I am sure," said Piotrowski in court yesterday, "that Kiszczak acted the way he did because he suspected there was a conspiracy against him inside the Interior Ministry."

Piotrowski's evidence paints a rather gloomy picture of the work of SB Department Four that carried out activities against the church. Piotrowski described how in 1984 the department drew up a special plan of operations against distinguished church figures. This plan simply had to be approved by political figures higher than the interior minister, said Piotrowski.

The SB wanted to discredit Pope John Paul II by using material dating from the time when he was still Bishop of Krakow. This material was supposed to have been found in the apartment of Father Andrzej Bardecki in Krakow. Department Four planned to draw the KGB into the action against Father Popieluszko. The KGB was meant to inspire articles in the German and American press criticizing the priest. The same plan called for the preparation of documents showing that the primate of Poland, Cardinal Glemp, collaborated with the Germans during the war. Yet he was only 16 years old in 1945! Bishop Ignacy Tokarczuk was to be accused of collaborating with the Gestapo, and action was to be taken against him. Father Popieluszko himself was to be made to look as if he were rallying the clergy against Primate Glemp and misusing Solidarity funds.

During the Friday court session, Piotrowski withdrew the statements he made at the Torun trial in 1985 in which he said that the kidnapping, torture, and death of Father Popieluszko was solely his idea and that of the SB functionaries under his command, Waldemar Chmielewski and Leszek Pekala.

Observers Designated To Supervise Elections

AU1509201492 Bucharest ROMPRES in English 1804 GMT 15 Sep 92

[Text] Bucharest ROMPRES 15/9/1992—The data supplied till September 14 to the Protocol and Observers Accrediting Office under the Central Electoral Bureau show that ten regional or international organizations answered the invitation to send their observers to the September 27 elections. The persons, 130 in number, who will supervise the elections were also designated. They come from France, South Africa, Venezuela, Germany, Belgium, Finland, Czech and Slovak Republic, Japan, Portugal, Austria, Sweden, the Philippines, Poland, and Norway.

The Central Electoral Bureau and the Ministry of Foreign Affairs worked out a booklet, now under printing, to inform foreign observers about elections.

The Ministry of Foreign Affairs played host to meetings with representatives of the International Legal Group for Human Rights and the National Democratic Institute for International Affairs of the USA, when questions related to the election process were approached.

Ministry Complains About 14th Army Chief's Remarks

AU1609114292 Bucharest Radio Romania Network in Romanian 1000 GMT 16 Sep 92

[Text] At the beginning of the Foreign Ministry news briefing, the ministry's spokesman, Ambassador Traian Chebeleu, referred to the situation in the eastern rayons of the Republic of Moldova. The second round of negotiations at ambassadorial level began in Chisinau today.

As our correspondent reported, the Foreign Ministry spokesman made a statement in connection with what he termed, quote: the offensive statements about Romania made by 14th Army Commander, General Lebed, unquote. These statements, Ambassador Chebeleu said, generate surprise and indignation. It is also surprising that, despite statements by the Army leadership of the Russian Federation forbidding General Lebed to continue to make press statements, the latter freely continues his campaign of slandering Romania and the Republic of Moldova, thus also exacerbating the atmosphere about them in his own country.

We believe, the Romanian Foreign Ministry spokesman also said, that such statements may seriously harm Romania's relations with the Russian Federation.

The Ministry of Foreign Affairs of Romania expects, quote: that General Lebed be officially reprimanded by the Government of the Russian Federation and that such insulting, irresponsible, and actually unqualified statements be clearly disavowed, unquote.

As a matter of fact, the chief of Romanian diplomacy has summoned the ambassador of the Russian Federation in Bucharest to the Foreign Ministry this morning.

During the news briefing, Ambassador Chebeleu also announced the visit the Slovak minister of international relations will pay to Bucharest today and tomorrow. Referring to the election agenda, Ambassador Traian Chebeleu also announced that so far representatives of 13 of the 16 organizations that have been invited and 145 people from 17 states have officially announced they will participate as observers in the 27 September elections.

Loans To Finance Agricultural, Oil Projects Signed

AU1509201892 Bucharest ROMPRES in English 1809 GMT 15 Sep 92

[Text] London (ROMPRES) 15/9/1992—The documents were signed in London on two loans the European Bank for Reconstruction and Development (EBRD) gave to economic agents in Romania, namely the Agricultural Bank and "Petromin" public corporation.

The two loans amount to 77 million ECU (more than $100 million) meant for the financing of agricultural development projects in the private sector (50 million ECU), and for the modernization of production and services with a number of crude extraction wells.

Democratic Convention Delegation Visits Germany

AU1509124592 Bucharest ROMANIA LIBERA in Romanian 9 Sep 92 p 3

[Doina Doru article: "Defense of National Interests"]

[Text] Messrs. Corneliu Coposu [leader of the National Peasant Christian Democratic Party of Romania] and Emil Constantinescu [presidential candidate of the Democratic Convention of Romania] have returned from their one-day visit to Germany. The visit, which should have lasted one week, was paid at the invitation of the Christian Democratic Union of Germany, the Social Christian Union, and the Konrad Adenauer Foundation. The meetings with German officials were part of the efforts made by the Democratic Convention of Romania [CDR] to present and promote Romania's interest in economic, political, cultural, and strategic integration in the structures of European communities. "We stressed on this occasion, too," Professor Emil Constantinescu said, "that we would like this integration to take place as soon as possible, that the opposition does not set any kind of political conditions for elections, and that our priorities are not only the interests of the party at this moment, or of a coalition of parties, but the defense of national interests."

One of the major ideas supported by the CDR was Germany's assistance in reviving Romanian's infrastructure (railways, roads, and telecommunication) that will assist the finalization of the Rhine-Danube-Black Sea Canal, something that is of great economic, strategic, and social interest for us because hundreds of thousands of jobs would thus be created. The delegation and Mr. Harry Cartemsen discussed the issue of cooperation in agriculture in more concrete terms, the possibility of

Germany granting agricultural credits and agricultural machinery to Romania, and the possibility of having Romanian peasants trained for certain periods on German farms. The delegation and Mr. Peter Helmes, secretary of the Union of Small- and Medium-Size Entrepreneurs, discussed issues of cooperation with Romanian entrepreneurs, facilitating Romanian entrepreneurs' participation in short-term programs in Germany. Likewise, it is envisaged that after the elections the K. Adenauer Foundation will open up cultural programs in Romania, including 3 to 6 month-long instruction programs for administration personnel.

A meeting with Chancellor Helmut Kohl could not take place because on the day the CDR delegation arrived in Bonn, a Bundestag debate on the budget was in progress. However, the delegation held meetings with Dr. Peter Hintze, general secretary of the Christian Democratic Union and with Dr. Friedrich Bohl, minister at the Federal Chancellery.

At the airport, the delegation was welcomed by the cultural attache of Germany in Bucharest, Mr. Klaus Brambach.

Iliescu Suspected of Illness, Should Be Examined

AU1509121292 Bucharest DREPTATEA in Romanian 10 Sep 92 p 1

[Unattributed note: "How Sick Is Mr. Iliescu?"]

[Text] Several physicians who watched Mr. Ion Iliescu's appearance on television on Tuesday, 8 September, have drawn attention to the fact that the president gave them grounds for suspecting that he has an alarming respiratory insufficiency.

It seems that Mr. Iliescu is ill. In this case, he is duty bound to urgently undergo a serious medical examination. We cannot allow ourselves to have a president suffering from a serious illness.

PSM Backs Iliescu for Presidency

AU1409183092 Bucharest ROMPRES in English 1805 GMT 14 Sep 92

[Text] Bucharest ROMPRES, 14/9/1992—The Steering Committee of the Socialist Party of Labour (PSM) decided to recommend its members and sympathizers to back Mr. Ion Iliescu's candidacy at the September 27 presidential elections, announced that party's spokesman, Tudor Mohora at a news conference on Monday, September 14. He specified that the decision showed the PSM's wish to commit itself to the efforts for the country's recovery in a climate of national unity and reconciliation. We hope Mr. Iliescu will not reject our option though he has not normal relations with our party as he has had with the other political parties, said Mr. Mohora.

NPL's Tariceanu Views National Image Abroad

AU1609112492 Bucharest ROMPRES in English 0911 GMT 16 Sep 92

[Text] Bucharest ROMPRES 16/9/1992—"The New Liberal Party [NPL] starts from the assumption that foreign policy is built on the results of home policy. Or this connection does not in the least plead for a commendable image. On the contrary"—states Calin Popescu Tariceanu, vice president of the New Liberal Party, in an interview published by daily CURIERUL NATIONAL.

Over the last two years—he says—Romania has been only too often the setting for acute conflicts—the mineriads for instance, compounded by the fact that it has come to be last in Europe both with respect to production and with respect to the living standard. "If we add the persistence of neocommunist structures in the economy and at the decisionmaker levels, we have some of the causes of the deterioration of Romania's image in the world."

"The major way to get Romania out of its present international isolation /.../ is to really democratise all segments of the political, economic and social life, in the process of building a state of law which will provide full observance of fundamental human rights and liberties and equal conditions for all citizens." At the same time it is necessary to promote a system of alliances and treaties, to tighten political, economic, scientific, cultural and touristic ties with the neighbor countries, with central European countries, and economic and political cooperation with the states riparian to the Black Sea.

The New Liberal Party considers that the priority target of the entire national diplomacy is systematic orientation towards the Western European developed states and towards the United States of America.

Special relations should be developed with the Republic of Moldova, in keeping with the national ideal of reunion, which must be approached within the framework of the Final Helsinki Act and of the Charter of Paris—said the vice president of the New Liberal Party.

Industry Minister Stresses 'Lack of Prospects'

AU1609112792 Bucharest ROMPRES in English 0808 GMT 16 Sep 92

[Text] Bucharest, ROMPRES 16/9/1992—Romanian Minister of Industries Dan Constantinescu, chairman of a new party, the Republican Party of Romanians' Unity, told daily CURIERUL NATIONAL he wanted "to call the nation's attention to the current condition of Romanian industry, to the blocking in this economic branch and the lack of prospects. "On sounding the alarm about the state of industry," Constantinescu added, "we do not mean the unprofitable enterprises. We want what is remunerative or may become remunerative to function at its best, for it is only profit made this way that can allow for updating the technologies, for development,

privatization, and so forth. Otherwise, where would the money come from? Unless industry works the country cannot have any prospect," the industries minister said. "What model of development do we endorse," Constantinescu went on, "if we let people leave industry for agriculture which already encompasses 30-40 percent of the country's population? There is no developed state with more than 15-20 percent of the population engaged in farming. We cannot speak of our development while turning to the past," the Romanian minister concluded.

CDR Protests 'Unfair' Air Time Distribution

AU1509174592 Bucharest DREPTATEA in Romanian 12 Sep 92 p 1

[CDR Executive Committee "Communique: News Programs and Radio Commentaries Have To Become Correct!"]

[Text] The Democratic Convention of Romania [CDR] protests the unfair nature of newscasts and commentaries of the national radio stations.

These broadcasts are spreading propaganda for the regime and the national-chauvinist parties without mentioning the stances taken by the Democratic Convention of Romania.

The most recent example in this respect was the press review on the morning of 11 September. The program never mentioned the interview granted by Mr. Corneliu Coposu and published by DREPTATEA, in which the president of the Democratic Convention of Romania responded to the absurd attacks by Mr. Ion Iliescu.

While President Iliescu's slanderous propaganda was broadcast by the radio, the dignified and matter-of-fact response by Coposu was not mentioned by a broadcast, whose aim it is to draw attention to everything interesting published in the press.

The Democratic Convention of Romania draws attention to the leadership of the state radio stations that distorting or ignoring the positions taken by the opposition is—during the election campaign—an intolerable way of impairing the correctness of elections.

We expect that the shortcomings of radio newscasts and commentaries will be remedied urgently. We demand that these programs become correct ones, at least during the last two weeks of the election campaign.

CDR Executive Committee

Oil Reserves Expected To Last for 20 Years

AU1509192692 Bucharest ROMPRES in English 1128 GMT 15 Sep 92

[Text] Bucharest, ROMPRES, 15/9/1992—There currently are 465 oil deposits and 645 gas deposits in Romania. Most of the deposits have been in operation for more than 30 years. The biggest oil field in Romania is Moreni-Gura Ocnitei, with an initial geological reserve of 280 million tons, while the biggest gas reserve is that of Filitelnic with 180 billion cu.m. The data quoted by daily ROMANIA LIBERA were supplied by Gheorghe Popa, director- general of the Petrom public corporation, on marking 135 years since Romania first extracted oil. He recalled that about 60,000 wells have been drilled so far, 23,000 of which for geological investigation. About 400 wells were drilled for deeper geological projects. Five oil and gas deposits have been found in the Black Sea continental shelf. As many as 637 million tons were extracted since Romania first started drilling for oil until January 1, 1992.

Current data, Gheorghe Popa says, show that there are 206 million tons left in the deposits administrated by Petrom, which would mean, considering a constant annual production of about 6.5 million tons, that there is oil enough for 20 more years. The oil experts' optimism, ROMANIA LIBERA writes, rests on the favorable conditions of accumulation of over 1.3 million square km. Of only little probed fields, especially at depths of more than 3,000 m., fifteen tracts were leased in 1990 for geological investigation, three of which off shore, under contracts with shell, enterprise and occidental company.

Karadzic Proposes Foreign Cover for Aid Flights

LD1509224692 Belgrade TANJUG in English 2203 GMT 15 Sep 92

[Text] London, Sept 15 (TANJUG)—Leader of the Bosnian Serbs Radovan Karadzic on Tuesday [15 September] proposed that foreign military aircraft cover air corridors for humanitarian flights, but not the entire air space of the war-torn former Yugoslav Republic of Bosnia-Hercegovina.

Karadzic, in a fax sent to the British news agency REUTERS in London, said he was ready to abide by such an agreement immediately.

"We will do all we can to get the humanitarian flights back into Sarajevo," said Karadzic. He reiterated that Bosnian Serbs wanted to cooperate for the humantarian flights to resume, but not in the way which would "lead to the strategic advancement of the enemy."

On Sunday, Karadzic indicated that the Bosnian Serbs would boycott the peace negotiations on Bosnia-Hercegovina if the U.N. decided to impose a "no-fly" zone over the entire territory of Bosnia-Hercegovina.

The negotiations are to be held in Geneva on Friday as part of the international Conference on Yugoslavia.

Conference Spokesman Fred Eckhart said on Tuesday co-chairmen of the Peace Conference on Yugoslavia Cyrus Vance and Lord Owen had sent a note to Karadzic to protest against air attacks on the town on Bihac, northwestern Bosnia-Hercegovina, on Monday.

The ASSOCIATED PRESS quoted Eckhart as saying the U.N. military monitors registered at least four planes dropping missiles and bombs on Bihac. The planes are believed to belong to the Serb side.

The Bosnian Serb leadership has warned several times in the past few days that the Muslim-Croat forces are intensifying attacks on Bosnian Serb positions in an effort to gain strategic advancement. On Saturday, Serbs put all their heavy arms around Sarajevo, Bihac, Jajce and Gorazde under U.N. control.

Conference Approves Measures To Resume Flights

LD1609085192 Belgrade TANJUG in English 0640 GMT 16 Sep 92

["Pool" item]

[Text] Geneva, Sept. 16 (TANJUG)—The Geneva-based Conference on Yugoslavia is in its second week, working in task forces.

The task force for confidence-building and security, headed by Argentinian Ambassador Vicente Berasategui [name as received], on Tuesday [15 September] night finally approved measures which should facilitate the resumption of humanitarian flights for Bosnia-Hercegovina.

Humanitarian flights to Sarajevo Airport were suspended a fortnight ago, after the crash of an Italian plane carrying food and medicine. The plane, which crashed over area controlled by Moslem and Croat forces, is believed to have been shot down.

The task force for the questions of ethnic groups and minorities in former Yugoslavia, chaired by the Netherlands' Geert Ahrends [name as received], had its first session on Tuesday morning.

The session was attended in part by Ambassador Vladimir [name indistinct], deputy coordinator of the delegation of the Federal Republic of Yugoslavia (F.R.Y.) to the Geneva Conference. However, the F.R.Y. experts due to [word indistinct] on this task force did not arrive in Geneva, because the special plane, which was to bring them in on Tuesday morning, was denied permission to fly over "one state" en route between Belgrade and Geneva.

Attacks on Serb Positions Obstruct UN Activities

LD1509201792 Belgrade TANJUG in English 1939 GMT 15 Sep 92

[Text] Belgrade, September 15 (TANJUG)—The United Nations protection force in Yugoslavia (UNPROFOR) are finding it difficult to supervise Serbian heavy artillery in positions around Sarajevo because they are being shot at from all sides. UNPROFOR civil affairs senior liason officer Jeannie Peterson told TANJUG on Tuesday [15 September].

Jeannie Peterson added, calling on a report by UNPROFOR Commander General Satish Nambiar, that Serbian positions were under fire and that UNPROFOR was waiting for a report on the matter.

I do not know to what extent the Serbian side has been provoked, said Jeannie Peterson, adding that the Serbs had confirmed that they would return fire.

Serbian forces in Bosnia placed their artillery and heavy arms deployed in 11 positions around Sarajevo under United Nations supervision last week.

Because of fierce fighting in Sarajevo, Butmir airport has been closed for UNPROFOR flights as well.

Silajdzic Reportedly To Attend Geneva Conference

AU1509094692 Paris AFP in English 0930 GMT 15 Sep 92

[Excerpt] Geneva, Sept 15 (AFP)—Bosnian Foreign Minister Haris Silajdzic will participate in peace talks with Serbian and Croatian representatives here on Friday [18 September], sources close to the permanent conference on the war in former Yugoslavia said Tuesday.

The Bosnian Government had earlier said it would not participate in the talks.

Bosnian President Alija Izetbegovic sent a letter to the co-chairman of the conference, former U.S. Secretary of State Cyrus Vance, saying neither he nor any of his representatives would attend the Geneva talks because of the continuing fighting in Bosnia-Hercegovina. Vance received the letter late Sunday.

In a statement released in Sarajevo on Monday, the Bosnian Presidency said it was pulling out of the negotiations because of continued attacks by Bosnian Serb forces. [passage omitted]

Muslims Protest Rights Violations in Vitez

LD1209221292 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 2000 GMT 12 Sep 92

[Text] The decision of the Bosnian Croat Defense Council [HVO] authorities in Vitez concerning the use of school textbooks of the Republic of Croatia has caused a reaction by the Coordinating Committee for the Protection of the Interests of Vitez Muslims.

The statement by this organization says: The representatives of the other nations were not consulted in the adoption of this decision, and that even includes the Muslims, who make up 41.4 percent of Vitez' population. We are of the opinion that school cannot start under the conditions created by the uninational municipal authorities of Vitez as this decision encroaches on the national interests of Muslims.

The statement of the Coordinating Committee for the Protection of the Interests of Vitez Muslims ends with an appeal to the citizens of Vitez to disregard the decisions adopted against the interests of the non-Croat population, claiming that this and similar decisions are not binding on the Muslims of Vitez.

Sarajevo Radio Updates Fighting Situation

AU1509164892

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1300 GMT on 15 September carries in its regular 19-minute newscast several reports on the situation in the republic.

The announcer starts the newscast by saying that hopes that it might be a quiet day were dashed when "the aggressor's shells began to sound off occasionally in the early afternoon hours all over the city."

Reporting from the Sarajevo Security Services Center, reporter Suada Alic says that "the aggressor has intensified combat activities across the city." According to her report, Stari Grad, especially the area around Vasin Han, is being shelled by mortars and tanks, while the periphery of this commune is being pounded by antiaircraft machine guns and antiaircraft guns. Five to six shells are reported to have fallen in the Centar commune, whereas "snipers are persistently active in Novo Sarajevo, particularly in Braca Ribar Street and Pero Kosoric Square." The reporter also says that the shelling of Novi Grad has also been stepped up, particularly Alipasino Polje, Mojmilo Hill, Svrakino Selo, and Dobrinja, "which have also been occasionally hit by splinter ammunition."

In his report from Otes, Sead Hadziahmetovic says that last night "the periphery of the district and the district itself were pounded by hundreds of projectiles from tanks, mortars, portable rocket launchers, grenade launchers, antiaircraft guns, antiaircraft machine guns, and all the other weapons that the enemy obviously is not short of."

Reporter Muhamed Momic reports that "the aggression against Bihac continues today." He says that "fierce infantry fighting continues this morning, while yesterday and overnight, apart from the shelling of the town and surrounding villages, Serbian aggressor's fighter planes bombed Bihac three times with cluster bombs, air-to-surface missiles, and guns." The same reporter says that "in its attacks on Gorazde, the aggressor has been using 155-mm howitzers since last night." He adds that "the Gorazde people are demanding that a sharp protest be sent to the UN Security Council, since instead of having the heavy artillery around Gorazde put under UNPROFOR's [UN Protection Force] control, it has been used actively since yesterday, sowing its deadly missiles all over the commune."

According to the Brcko press center, "the air-raid alarm that was sounded at 0842 is still in force." It says that "the chetnik gang, reinforced by the Novi Sad volunteer unit, and chetniks from Smoluca, (?Srnica), Pelagica, [word indistinct], and Bijeljina, are attacking in firing lines, blasting from all their weapons, that is according to our liberators." The report concludes with the words: "Bukvik has just been liberated."

The announcer says that "Sefer Halilovic, the commander of the General Staff of the Supreme Command of the Bosnia-Hercegovina Armed Forces, has issued an order to all disengaged forces of the Bosnia-Hercegovina Army from eastern Bosnia to come immediately to the assistance of the defenders of Zepa," as they have reportedly come under a renewed fierce attack.

Another announcer says that in other developments in the republic, "enemy activities were recorded in Zavidovici and Zenica overnight." He says that "yesterday, the enemy fighter planes attacked Jajce, both along the defender's positions and the center of the town, with air-to-surface missiles, cluster and napalm bombs." Elsewhere, Tuzla and Bugojno are reported to be relatively quiet today.

The information center of Bosanski Brod reports that "the morning has been very turbulent. The general alarm has been sounded twice because of the projectiles landing on the city."

SDF Delegation To Visit Geneva for Talks

LD1509121692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1059 GMT 15 Sep 92

[Text] Zagreb, 15 Sep (TANJUG)—Representatives of the Serbian Democratic Forum [SDF] from Zagreb will go to Geneva tomorrow for talks with Ambassador Ahrens, chairman of the working group for human rights and rights of national communities and minorities of the Conference on Yugoslavia. It has been announced that SDF Chairman Milorad Pupovac and Vladimir Ivkovic, a member of the leadership of that public organization, will go to the talks.

The SDF, which held a press conference before the departure for Geneva, stresses that "Serbian representatives in the Assembly are manipulated" nowdays in Croatia. According to their opinion, Serbs have no representatives in the Croatian Assembly at the moment.

In addition to that, the SDF says that "they do not accept the fact that the Serbian policy in Croatia is being made by puppet individuals and parties."

SDF representatives stress that the real situation concerning human rights "denies politicians' statements about national equality in Croatia." In addition to that, it was said that many Serbs have been sacked, that there have been problems with issuing certificates of nationality, that there have been many forceful entries into Serbian apartments, that Serbian buildings have been destroyed in almost all places, that "some Serbs have been taken to prisons and camps in order to put their names on lists for exchanges of prisoners of war." An example of the violation of human rights, which they will, as they say, present at the talks is the fact that Serbian children do not declare themselves to be Serbs at schools, and the example was mentioned of "43 children in Zagreb who asked to be excluded from the Serbian Orthodox Church in order to be able to go to catechism and convert to Catholicism."

Serbs Protest Against Lack of National Equality

LD1509165292 Belgrade TANJUG in English 1539 GMT 15 Sep 92

[Text] Zagreb, September 15 (TANJUG)—The actual state of human rights in the former Yugoslav Republic of Croatia "refutes the statements of (Croatian) politicians about national equality" in the republic, representatives of the Serbian Democratic Forum, an organization which rallies Serbs living in large urban centres in Croatia, said on Tuesday [15 September].

Serbs living in Croatia had the status of a constituent people until Croatia proclaimed independence last year, when Serbs were reduced under the new Croatian Constitution to the status of a national minority

Representatives of the Serbian Democratic Forum told a news conference in the Croatian capital of Zagreb that the organization's president, Dr. Milorad Pupovac, and the member of the organization's leadership, Vladimir Ivkovic, would travel to Geneva on Wednesday to confer with the chairman of the working group for ethnic and national communities and minorities of the international conference on Yugoslavia.

Forum's representatives told the news conference that "Serbian representatives" in the Croatian parliament were manipulated. The Forum has taken the stand that Serbs currently have no representatives in the Croatian parliament, because it does not accept that "the Serbian policy in the Republic of Croatia be conducted by puppet figures and parties."

The news conference was told that a large number of Serbs in Croatia had lost their jobs in the more recent months, that Serbs were mostly having problems getting a citizenship, that there had been many cases of forcible entry into Serbian homes, that Serbian facilities were being destroyed, and that some Serbs were "taken to prisons and camps so that their names would be on the lists for the exchange of prisoners of war."

Representatives of the Serbian Democratic Forum said that 43 cases had been recorded in Zagreb of children asking to be issued certificates stating that they no longer belonged to the Serbian orthodox church, which they needed so that they could attend religious instruction and convert to Catholicism.

Serbs are Orthodox and Croats Catholics.

'Purge' of Krajina Officials Allegedly Under Way

AU1609093592 Belgrade BORBA in Serbo-Croatian 4 Sep 92 p 5

[S.R. report: "'Purge' in Government of Republic of Serbian Krajina"]

[Text] Knin—Unofficial sources say that at the 1 September session of the Government of the Serbian Republic of Krajina [RSK], which was held in Vukovar, the following people were dismissed from their duties: Jovo Kablar, vice prime minister, Petar Bukarica, assistant minister for trade and tourism, Dusan Orlovic, chief of the Krajina State Security Service, and Slavko Prijic, chief of the government's bureau in Belgrade. Although the session was held four days ago, the official public statement has not yet been made, so one can only wonder about what could have lead to this personnel "purge."

It is interesting, though, that all the dismissed officials are from Knin, and that Kablar, who is a member of the Krajina Socialist Party (like Petar Bukarica), was one of the RSK presidential candidates at the assembly in Borovo Selo when the change of government was carried out in Krajina. The dismissal of Dusan Orlovic is brought into connection with the temporary termination of the Krajina State Security Service. The rumor is that one of the next sessions of the RSK government could

lead to more dismissals of officials, which would complete the "purge" that started with the dismissal of Dobrosav Vejzovic, foreign affairs minister.

Presidential, Defense Councils Formed

LD1409193792 Zagreb Radio Croatia Network in Serbo-Croatian

[Text] Jure Radic, head of the Office of the Croatian President informed journalists today about changes in the method and organization of the work of the Office of the President, and decisions approved in this connection yesterday by President Tudjman. The most important is the following: A 32-member Presidential Council [Predsjednicko Vijece] and 14-member National Defense Council [Vijece Narodne Odbrane] have been appointed, and from today Villa Zagorje becomes the permanent seat of the president of the republic and bears the title of Presidential Palace. Here is a report from Darko Herceg:

[Herceg] To bring into line the organization of all organs of the Croatian State with the Constitution of the Republic of Croatia, on the basis of Article 106 of the Croatian Constitution, President of the Republic Franjo Tudjman last night appointed a Presidential Council, which has the role of advisory body. Members of this council are Stipe Mesic, Hrvoje Sarinic, Josip Manolic, Jure Radic, Zarko Domljan, Vladimir Seks, Ivan Milas, Mate Granic, Darko Cargonja, Gojko Susak, Ivan Jadnjak, Zdenko Skrabalo, Pero Jurkovic, Ivica Gazi, Ivan Aralica, Ivic Pasalic, Antun Vrdoljak, Mladen Vedris, Miomir Zuzul, Zeljko Matic, Zvonko Lerotic, and Emiljan Primorac. The latter four are at the same time personal advisors to President Tudjman: Zuzul for national security, Matic for foreign policy, Lerotic for internal affairs, and Primorac for the economy.

An adviser for public affairs, who will also be a member of the Presidential Council, will be appointed later. Marko Zaja is the secretary of the council. The Presidential Council, as an advisory body, will examine and deal with all questions of state policy in order to coordinate the activities of supreme state bodies and institutions. The first meeting of the Presidential Council will be held next week.

On the basis of Article 100 of the Croatian Constitution, Franjo Tudjman, president of the Republic of Croatia, appointed a National Defense Council of the Republic of Croatia with the following composition:

Josip Manolic, Stipe Mesic, Hrvoje Sarinic, Jure Radic, Gojko Susak, Ivan Jadnjak, Zdenko Skrabalo; and the following generals and admirals: Antun Tus, Janko Bobetko, Sveto Letica, Ivan Cermak, Imre Agotic, Josip Lucic, and Slobodan Praljak.

Secretary of the National Defense Council, the advisory body to the president of the republic, as supreme commander of the Croatian armed forces, will be the head of the War Office of the president of the republic, and will be appointed subsequently. The National Defense Council will meet for the first time today.

Jure Radic, head of the Presidential Office, also informed journalists about the decision that from today the permanent seat of the president of the Republic of Croatia, hitherto Villa Zagorje, is renamed the Presidential Palace, which follows the spirit and tradition of Croatian leaders, who reigned from buildings named Prince's Palace or Governor's Palace. The governor's palace in Radic Square in Gornji Grad, will serve for the protocol purposes of the Republic of Croatia, and probably next month President Tudjman will receive citizens there once each month.

Departments in the Office of the President of the Republic will be set up for decrees and awards, petitions and complaints, amnesty and pardons, as well as the war cabinet, and it is planned that an annex be constructed to the Presidential Palace to provide suitable accommodation for the work of the services of the president of the Republic of Croatia.

Hungarian President Meets With Kucan in Lendava

AU1509160292 Ljubljana Radio Slovenia Network in Slovene 1100 GMT 15 Sep 92

[Excerpts] Milan Kucan, president of the Slovene Presidency, received Hungarian President Arpad Goncz with full military and other state honors in Lendava this morning. Marjan Dora reports from Lendava:

[Dora] Both presidents arrived to Lendava in the company of their spouses. The official part of the visit started with the playing of the Hungarian and Slovene national anthems and inspection of the honor guard. This was followed by the first talks between Goncz and Kucan, which were closed to the public. After a half an hour meeting both presidents received the representatives of the Hungarian minority in the Pomurje region. [passage omitted]

The two presidents will arrive in the Slovene capital this afternoon, where Arpad Goncz will meet with Slovene Prime Minister Janez Drnovsek and Assembly Chairman France Bucar.

Drnovsek Assesses Talks

AU1609100892 Ljubljana Radio Slovenia Network in Slovene 0500 GMT 16 Sep 92

[Interview with Slovene Prime Minister Janez Drnovsek by Radio Ljubljana correspondent Matej Surc; place and date not given—recorded]

[Drnovsek] The talks [with Hungarian President Arpad Goncz] were extremely friendly and interesting and I think they will help to strengthen the links between Slovenia and Hungary. I briefed the president mainly on the economic situation but also on the political situation in Slovenia and on our views on the development of mutual relations, especially economic relations. Political relations are excellent. We wish to develop economic relations further as we believe there are still unexplored opportunities in mutual trade. We came to the conclusion that the minority problems, if I can call them that, are well resolved and can even serve as an example to other countries. We established that we share the interest in developing transport communications through Slovenia. I particularly stressed the Koper—Ljubljana—Lendava road, which would link us better with Hungary. Of course, we are the ones who need this road but at the same time this would also represent an outstanding communication further to Hungary and to some other states.

[Surc] You probably also discussed the war on the territory of former Yugoslavia and particularly the issue of refugees. What is your position and what is the position of Hungary?

[Drnovsek] The Hungarian president was, of course, very much interested in how we believe the situation will develop, especially in Bosnia-Hercegovina. At the moment Hungary and Slovenia are in approximately the same position. We are both encountering problems with refugees, and we both wish that the war would end as soon as possible so that the refugees can go home. It is in the interest of both of us that peace prevails in this region as otherwise the situation here and in Hungary could also be threatened.

[Surc] Hungarian President Arpad Goncz and Prime Minister Janez Drnovsek also raised the question of establishing a free trade zone between the two states. They concluded that economic relations can be developed even without formal connections. The establishment of a duty-free region is not ruled out here, but this possibility needs further examination. Drnovsek and Goncz both agreed that the most important thing is to increase trade within present economic relations, which would gradually grow more liberal.

Drnovsek Views on State's Desire To Be 'Normal'

AU1409094592 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 12 Sep 92 p 2

[Viktor Meier report: "Slovenia No Longer Wants To Be a 'Yugoslav' Republic"]

[Text] Ljubljana, 11 September—Slovene Prime Minister Drnovsek hopes very much that he will finally get the necessary two-thirds majority in parliament for all the election laws. This would make it possible for Slovenia to hold elections for parliament and for the republic's president in December and to end the period of domestic instability that has damaged Slovenia's reputation abroad. However, Drnovsek is not yet certain of that, even though the most important opposition party, the Christian Democrats of former Prime Minister Peterle, now seem willing to give in. According to Drnovsek, they need have no fear of the elections but, on the contrary, can expect a good result. The last contentious issues seem to be whether the election system—a compromise between a majority voting system and proportional representation—should get a bit more emphasis in this or that direction. The Christian Democrats have given up a demand according to which each elected deputy should say publicly whether or not in the past he cooperated with the former Yugoslav political police, UDBA. Their own deputies plan to make such a statement in any event.

Drnovsek sees a certain contradiction between the domestic disputes in Slovenia and the generally successful economic and financial development of the republic since the declaration of independence. Perhaps in no other formerly socialist country have things have gone as well as in Slovenia. Inflation is only 1.5 percent per month, currency reserves have risen to almost $1 billion; the Slovenia currency, the tolar, will soon be fully convertible and the foreign trade balance, with a volume of about $4 billion, is practically balanced in every respect. This does not mean that there are no difficulties.

The loss of the former Yugoslav market has not yet been overcome. However, it has already been possible to find new markets in the west. The government supports the reorientation with specific loans. The privatization law will also soon be passed, even though, in the view of experts, mere privatization need not necessarily be the key to success. Good management and adaptation to market conditions are more important. Drnovsek notes that Slovenia has managed to consolidate its economy without having received much aid or loans from other countries, apart from short-term alleviations for exports.

Yugoslavia's Debts

The favorable development in Slovenia seems to tempt certain creditors of the former Yugoslavia, in particular the foreign private banks, which are united in the "International Loan Commission," to try to have Slovenia pay for the entire heap of Yugoslav debts. Slovenia has always declared its readiness to pay its direct debts—about $1.7 billion—and to take over part of the anonymous federal Yugoslav debts, which amount to a total of about $3.8 billion, Drnovsek says. As of June, when Serbia and other republics completely or partly stopped repayments, the banks have tried to credit the punctual Slovene payments to the entire Yugoslav debts instead of to the Slovene bill. As a result, Slovenia halted all payments, including that of interest, and is now threatened with penal interests. Slovenia considers this to be illegal, since, according to international law, the republic is not forced simply to enter into the state treaties of the old Yugoslavia. Now negotiations have started. Drnovsek hopes that the foreign private banks and the governments are willing to conclude a new debt agreement with now independent Slovenia. Slovenia might, for instance, agree on taking over 20 percent of the anonymous federal debts of the former Yugoslavia, which is as much as its then share in the Yugoslav gross national product, and this even before its share in the currency reforms of the former state and in the rest of the federal assets has been decided. Slovenia wants to make these advance concessions in order to become a full participant in international economic life as quickly as possible.

Legal Succession

Drnovsek said that, in general, it is Slovenia's great desire to finally get away from the status of a former Yugoslav republic and to become a completely "normal" state. Slovenia is also fed up with constantly being considered equal to Croatia, which is in a completely different situation. Unfortunately, the international community, above all the commissions under Lord Carrington established by the EC, constantly ignored the Slovene demand to finally declare the former Yugoslavia dissolved and deliberately delayed the matter. This is the reason for Slovenia's current problems with the international financial world. In the so-called "Yugoslavia" conference, Slovenia is only interested in settling the question of succession. In no case must the current "Yugoslavia" be the sole legal successor; Slovenia is not a "secessionist" state but an equal legal successor of the old Yugoslavia. Slovenia has now demonstrated its lack of interest in the former Yugoslavia by attending the London conference only with its foreign minister, like the other "normal" states, and not with its president.

However, Slovenia cannot yet completely bid farewell to the difficulties of the former Yugoslavia. Relations with Croatia urgently need comprehensive regulation. In September, Drnovsek wants to meet with new Croatian Prime Minister Sarinic and all ministers in question, and at the beginning of October President Tudjman is scheduled to visit Ljubljana. Slovenia is hard hit by the problem of refugees. Now there are 70,000 in the country, that is 3 percent of the overall population. About 20,000 are housed in camps, the rest among private individuals. The republic cannot accept any more, in particular since it receives only some help from private foreign organizations and practically nothing from the UN High Commissioner for Refugees. The refugee question has repeatedly caused unpleasant incidents at Slovenia's borders.

Like other states in Europe, in Slovenia, too, right-wing groups, including extremists, have raised their heads—here, too, helped by the issue of refugees. They are not numerous, but loud. The leader of the national liberals, Gross, even accused Drnovsek of having signed a decree as chairman of the Yugoslav State Presidency in 1989, which was to facilitate the establishment of internment camps during the state of emergency and is now used by the Serbs in Bosnia as the "legal basis" for their concentration camps. Drnovsek rejects such accusations. At that time, after the unpleasant experiences in Kosovo, the issue was to alleviate the regulation for war and other exceptional cases that was drawn up in 1982 by the State and Party Presidencies together, and to adapt it to the new situation, above all, to the international regulations on human rights. This is how this decree developed, which was signed by him after consultations and approval by all republics. During his entire term of office at that time, Drnovsek says, he tried—against serious resistance—to get the Albanians in Kosovo liberated and to prevent Army excesses all over the country.

Official on Problems of Human Rights Violations

LD1309175392 Belgrade TANJUG in English 0944 GMT 13 Sep 92

[Text] Ljubljana, September 12 (TANJUG)—President of Slovenia's Committee for the Protection of Human Rights Dr. Ljubo Bavcon has appealed to the Slovene public, via his committee, to consider human rights violations in this former Yugoslav republic and the problems which have appeared following the disintegration of former Yugoslavia.

Until the question of succession to former Yugoslavia is regulated through international, multilateral and bilateral agreements, Slovenian authorities cannot cite unilateral acts adopted by Slovenia, such as the laws on citizenship or foreigners, Bavcon warned in his letter to the committee members.

Slovenia cannot cite unilateral acts, as it has done, to take away someone's right to a homeland, to stop citizens from entering or leaving the country, to banish someone, or to take away their pension which they would still be enjoying had Yugoslavia not disintegrated, Bavcon said.

Bavcon considers as unilateral also those Slovenian acts which limit refugees' freedom of movement, which is also being done. This would be possible to regulate only with a special Slovenian government decision based on the law on foreigners.

Bavcon also warned that Slovenia cannot prevent children refugees from attending schools in Slovenia under the pretext of a shortage of funds.

Unions' Reaction to Proposed Bankruptcy Law Viewed

92BA1384A Ljubljana DELO in Slovene 17 Aug 92 p 2

[Article by Jelana Gacesa: "The Draft of the New Law Gives Preference to Forced Settlement"]

[Text] *The SDK [Public Auditing Service] is to abandon its role to others, the Free Trade Unions are afraid that the workers will bear the main burden of enterprises' bankruptcies and that their social security and legal protection will not be taken care of.*

Ljubljana, 16 Aug—At a press conference tomorrow, the Free Trade Unions will present their positions on the draft law on forced settlement and bankruptcy. We have learned that the trade union members are concerned that the workers will bear the main burden of the closure of enterprises, and that their social security and legal protection will not be taken care of. They will have to take into account, however, the fact that the new law only regulates the judicial proceedings for bankruptcy and forced settlement, and that social and protective policy is not the subject of this law.

Joze Tratnik, deputy minister of justice and administration, told us that the law gives preference to forced settlement, in which an enterprise can restructure and save the healthy part (capital and workers) of the enterprise, while the worse part of the enterprise is closed. The other purpose of the law is to make it possible for the initiation of bankruptcy to be proposed only by creditors and debtors, while the state is no longer to be involved in the proceedings (so far, in fact, the body that handles payment transactions, in exceptional cases, was able to propose bankruptcy, but in time this became the rule. The SDK therefore proposed bankruptcy when none of the creditors did).

An enterprise facing bankruptcy or in the process of bankruptcy will not be able to take over the burden of settling workers' social situation, as some people would like, according to Joze Tratnik. It will be necessary to create legal and social security for them, and guarantee them the right to wages (not just minimum wages, but also the wages in the collective contracts), and compensation. The question, however, is where to get a financial source for it. One should also take into account the fact that the new law on bankruptcies will only go into effect when the new property legislation and the law on companies are passed. A worker in a private enterprise will be a shareholder in that enterprise, and therefore (if we also take into account better economic conditions) there will be fewer bankruptcies than now. Workers, in fact, will be able to influence management of the enterprise, and they will be able to oversee the executive part of the enterprise and make sure that it does not conclude bad contracts and lead the enterprise into bankruptcy. According to the deputy minister, it is certain that bankruptcies and enterprise restructurings will occur in the same way as in the West.

It will consequently be more difficult for those employed in socialized enterprises to become accustomed to their new role. That is why the draft law states transitional and final provisions. Proceedings for forced settlement and bankruptcy started before the new law goes into effect, in fact, are supposed to be concluded in accordance with the regulations that were in effect before the new law goes into effect. In explaining the draft law, the proposer (the Ministry of Justice) states, among other things, that during the discussion there were many criticisms about the specification of the reason for bankruptcy (insolvency or overindebtedness). It should therefore be specified more precisely. The proposer did not accept these criticisms, since it is convinced that for the court that has to determine the reason for bankruptcy, the content of the legal standards is not a complicated legal problem. It did accept, for instance, the criticism from the chamber of tradesmen about the advisability of a separate law on bankruptcy for independent tradesmen's shops. Since according to this law the debtor is also an individual entrepreneur, who according to the law on economic companies will not have the status of a legal person, there is no reason for different regulation of bankruptcy proceedings for independent tradesmen's shops. The proposer therefore advocated considering an independent tradesman to be a debtor according to this law as well. It is convinced that the distinction between a tradesman and an enterprise is often completely formal.

The third chapter of the draft law regulates the procedure for settlement, which is initiated with the submission of a written proposal from the debtor, giving the reason for the bankruptcy. It specifies the bodies involved in forced settlement proceedings, the legal consequences of initiating the proceedings, and a financial reorganization plan as part of the proceedings, which is a fundamental innovation in the law. The financial reorganization plan allows the debtor to classify creditors' claims into categories according to the legal basis and similarity of the claims, and different reductions in the claims or extensions of the periods for payment for individual categories, as agreed between the debtor and the creditors. A qualified majority of the creditors in an individual

category has to be achieved in voting on concluding forced settlement, i.e., a majority of the debtors in the category, as debtors whose claims exceed half of the total claims in the category, have to vote for it. The court confirms the settlement thus concluded, thus giving considerable autonomy to the creditors.

In the financial reorganization plan, the debtor has to show that it is probable that he will fulfill the obligations from the proposed forced settlement, by proposing additional financial reorganization methods such as the sale of the debtor's property, the investment of the property in one or more legal persons, status changes, etc. As a method of financial reorganization the draft also provides for a reduction in the debtor's size, which is often a necessary condition for the debtor's successful reorganization.

According to the law's proposer, the possibility that the creditors will propose initiating forced settlement proceedings is unlikely, since they do not have any insight into the debtor's economic and financial situation. Since the reasons for initiating bankruptcy proceedings and forced settlement proceedings are the same, the creditor, if he can portray the existence of a reason for bankruptcy, will propose initiating bankruptcy proceedings against the debtor. It will be in the debtor's interest to propose forced settlement if he thinks that he will be able to fulfill his obligations on the basis of it.

[Box, p 2]

In the discussion of the proposal for issuing the law, there were several criticisms of the position and role of the bankruptcy administrator and the creditors' committee, primarily along the lines of demands for greater autonomy for the creditors and stricter accountability for the bankruptcy administrator. Several participants in the discussion thought that it was necessary to specify additional standards for designating the bankruptcy administrator. Since it is advisable to use the provisions of the law on judicial procedure in bankruptcy proceedings, the standards from the law on judicial procedure that regulate conditions for the withdrawal of judges and experts are also taken into account in designating the bankruptcy administrator. The proposer therefore thinks that additional standards are not necessary.

[Box, p 2]

The bodies involved in bankruptcy proceedings are the bankruptcy court, the bankruptcy administrator, and the creditors' committee. A creditors' committee is not mandatory in bankruptcy proceedings, but the bankruptcy court has to establish one at the request of creditors whose claims exceed 50 percent of the total amount of all claims, unless the bankruptcy amount is negligible.

DELO Poll on Nationalism Published

92P20402A Ljubljana DELO in Slovene 29 Aug 92 p 1

[Article by V.S.: "Public on Nationalism"]

[Text] Ljubljana, 28 August — In the latest poll of 635 randomly selected phone customers conducted by DELO STIK agency on 26 and 27 August, we tried to determine the attitude toward nationalism in Slovenia. Approximately one quarter of the respondents view nationalism as a normal reaction to a perceived threat to the nation. Fewer (17.8 percent) regard it as an isolated phenomenon, which a democratic society should be able to tolerate. Approximately the same percentage of respondents (8.5 and 8.8 percent) feel that we are dealing with isolated cases that have to be strictly prosecuted, or that it is a phenomenon that is being politically exploited. Two smaller groups of respondents (5.5 and 5.2 percent) consider nationalism a larger phenomenon that already threatens the democratization so far achieved or could damage our reputation abroad. The majority of respondents (over 25 percent) either have not noticed any nationalism in Slovenia or do not have any opinion.

Federal

Cosic Confused by Panic's Statement on Prevlaka

LD1509164292 Belgrade TANJUG in English 1544 GMT 15 Sep 92

[Text] Belgrade, Sept 15 (TANJUG)—President Dobrica Cosic of the Federal Republic of Yugoslavia (F.R.Y.) told the Yugoslav TANJUG news agency on Tuesday [15 September] that he "did not understand the meaning" of Federal Prime Minister Milan Panic's statement about Prevlaka "being lost temporarily."

The controversial statement about the strategical Adriatic peninsula Prevlaka at the entrance to the Montenegrin Bay of Boka Kotorska (the peninsula was within the administrative boundaries of Croatia in former Yugoslavia) was made by Panic on Sunday during his flight to Beijing.

On Monday, Montenegro's ruling Democratic Party of Socialists and Opposition Democratic Party issued an announcement disapproving of Prime Minister Panic's statement.

President Cosic said he was inclined to believe that Prime Minister Panic had made the remark during an informal chat on board the plane and was not to be taken literally.

Cosic said that during the Belgrade talks on Prevlaka held with Cyrus Vance and Lord Owen, it was agreed to address the U.N. Security Council and the governments of the F.R.Y., Serbia and Montenegro with a proposal to set up a broader-based demilitarized zone at the entrance to the Bay of Boka Kotorska. Also agreed was to post U.N. soldiers in Prevlaka until the final drawing of borders between Montenegro and Croatia.

Until this proposal is accepted, the Army of Yugoslavia would not leave Prevlaka, explained Cosic and added that hence Prevlaka was not lost.

Cosic also was confident that the U.N. Security Council and world forum would apply international law to maintain peace in the Adriatic area and the Balkans, and reasonably decide that Prevlaka organically belonged to Montenegrin state and people.

I hope, said Cosic, reason and desire for peace will also prevail in Croatia which is not to war for a few hectares of rocks it needs only to capture Boka and destroy the Navy of the Federal Republic of Yugoslavia.

Panic Statement on Prevlaka Cause 'Bitterness'

AU1509203692 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 15 Sep 92

[Text] The question of Prevlaka is of such vital importance for Montenegro and Yugoslavia that vague statements should not be made about it on a plane to Beijing or some other capital city, stresses today's POBJEDA from Podgorica, in its commentary on the bitterness felt by Herceg Novi people after Prime Minister Panic stated that Prevlaka was temporarily lost.

Prevlaka is, of course, still one of the most important topics in Montenegro, and the only republican daily newspaper today reports the reactions of several party leaders and deputies from this region.

Slobodan Kovacevic, chairman of the Democratic Party of Socialists [DPS] of Herceg Novi, said: International law can come to no other conclusion but that Prevlaka belongs to Boka [Boka Kotorska], and, [word indistinct] at the extended session of the leadership of the DPS of the commune, it will require that the deputies in the Federal Assembly ask for an explanation for Panic's view on Prevlaka, Kovacevic says.

This opinion is shared by Sava Lazovic, one of the leaders of the Democratic Party of Montenegro, who is also the author of many articles on Prevlaka. There is a dissonant policy in the state leadership on Prevlaka, he stresses, comparing President Cosic's words that it must be defended and must remain an integral part of the FRY, to Mr. Panic's words on his way to China that he has lost Prevlaka, but only temporarily. Lazovic warns Presidents Cosic and Bulatovic that they should tell the Montenegrin and world public at large what the experts have said about this issue so far, and cautions that Panic is not authorized to lose an inch of Yugoslav territory. Prevlaka is priceless, Lazovic stresses.

Has Prevlaka been handed over already? That is how today's POBJEDA entitled the statement by Slobodan Vucurovic, deputy in the Chamber of Republics in the Federal Assembly. It is unclear, he says, what the prime minister had in mind when he gave such a statement, that is, has he already handed Prevlaka over. The authorities that let Prevlaka go will no longer be needed by the people, and the same goes for the army if it leaves this door to Boka. We will no longer need it. The people in that case, and I quote Vucurovic, have to take things into their own hands.

Panic Changes Date of Moscow Visit to 18 Sep

LD1509120592 Belgrade TANJUG in English 1038 GMT 15 Sep 92

[Text] Beijing, Sept 15 (TANJUG)—The premier of the Federal Republic of Yugoslavia, Milan Panic, will visit Moscow on Friday [18 September], instead of the already-announced stopover on Wednesday on his way from China.

No explanation was given regarding the decision for Panic to return to Belgrade and leave for a meeting with Boris Yeltsin on Friday.

Official Discusses Challenge on UN Membership

LD1609102492 Belgrade TANJUG in English 0755 GMT 16 Sep 92

[Text] New York, Sept 16 (TANJUG)—The representative of the Federal Republic of Yugoslavia (F.R.Y.) to

the United Nations, Dragomir Djokic, said on Tuesday [15 September] that the F.R.Y. has never aspired to be the only successor to the former Socialist Federal Republic of Yugoslavia but, on the basis of long international practice, it strongly believes that there are no valid grounds for challenging its membership in the U.N. and its status of legal person.

Yugoslavia (which now comprises only Serbia and Montenegro, two of the original six republics) will be among the chief topics of the 47th session of the U.N. General Assembly, which opened on Tuesday.

Taking part in a procedural debate, the Yugoslav representative said that, in 1947, the General Assembly had adopted principles for dealing with such cases, whereby a country does not cease to be a member of the United Nations simply because it has changed its constitution or borders. Under the relevant document, in order for a country's membership to be withdrawn, it must be proved that the country has ceased to exist as a legal person recognized in international relations.

The speakers in the Tuesday debate failed to prove that Yugoslavia no longer exists. All they did was insist that there has been no general agreement that the F.R.Y. should succeed the former Yugoslav state.

The Yugoslav representative said that to challenge Yugoslavia's presence in the U.N. might harm the peace process initiated at the London conference.

Yugoslavia is determined to meet all the obligations it has undertaken at the London conference, said Djokic. He said that the new states created on Yugoslav soil should work towards mutual cooperation if they want to end the suffering of all the Yugoslav peoples.

Although it appeared that the speakers were unanimous, some nuances in their demands could be detected. Although the Turkish and Albanian representatives insisted on Yugoslavia's expulsion, the Western diplomats asked that the Yugoslav representatives not be permitted to take part in the work of the U.N. as the U.N. has not agreed that the new Yugoslavia should succeed the former Yugoslavia.

It is uncertain whether the Islamic countries can muster sufficient support for their proposal. At the Jakarta Summit in September, they failed to have Yugoslavia expelled from the Non-Aligned Movement.

Kontic Sees No Reason for Renouncing Elections

LD1509194392 Belgrade TANJUG in English 1718 GMT 15 Sep 92

[Text] Belgrade, Sept 15 (TANJUG)—After an accord was reached on Monday [14 September] night by all participants in a federal round-table meeting on the major questions of the election system, not one party has any serious reason for renouncing early elections—Federal Vice-Premier Radoje Kontic, who chaired the round table, told TANJUG on Tuesday.

Kontic explained that full accord was achieved about several major questions of the election system at the round table that had for the first time gathered together all parliamentary parties, and representatives of the governments of the Federal Republic of Yugoslavia (F.R.Y.), and of Serbia and Montenegro.

"All participants agreed that early elections at all levels should be organized in the F.R.Y. before this year is over. This was to be done under completely equal and honest conditions and, as was agreed, accordig to the proportional system. Accord was reached about the financing of an election campaign, political parties, elections, and—in principle—also about the rules of conduct of the press and television during the election campaign," said Kontic.

A consensus, however, was not achieved concerning the number of election units, which was the most controversial issue, and concerning the election quota upon which the parties are accorded deputy mandates. "I am confident, however, that these points are not that much important," said Kontic.

Most of the opposition parties wanted the F.R.Y. divided into two election units—Serbia and Montenegro. The ruling Socialist Party of Serbia insisted to the end on its demand to set up at least 15 election units in Serbia. A compromise solution was Serbia divided into four election units but consensus was not achieved on this proposal by the authorities and the opposition.

Outstanding questions would have to be solved by the Federal Government when it words the election law. Kontic said the government would incorporate into the draft law all the solutions established by consensus at the round table, while majority stands would be reconsidered before final adoption or rejection.

"I expect that federal parliament towards next weekend would adopt a law on the election of deputies to the Chamber of Citizens of the Federal Assembly. If both chambers of the Federal Assembly on Tuesday, September 22, adopt also a relevant constitutional amendment, early elections could be called already the following day," said Kontic.

Serbia

Milosevic To Run for Top State Functions

LD1509144192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1328 GMT 15 Sep 92

[Excerpt] Pec, 15 Sep (TANJUG)—Zoran Andjelkovic, member of the Executive Committee of the Main Committee of the Socialist Party of Serbia [SPS], stated in Pec today that Slobodan Milosevic, in addition to his candidature for SPS chairman, will run as the SPS candidate in the forthcoming elections for the most responsible state functions in the republic.

Andjelkovic, addressing an SPS assembly in Pec, said among other things that the SPS is not fighting for power in order to rule, but rather to realize the strategic interests of the people.

At an election conference today, a new 43-member municipal committee was elected and a proposal that Slobodan Milosevic be elected SPS chairman was supported. Delegates to the provincial election conference and the second SPS congress were elected by secret ballot. [passage omitted]

Kosovo

Rugova Calls For Help To Avoid 'Bloodshed'

AU1609085192 Vienna ORF Television Network in German 2010 GMT 15 Sep 92

[Interview with Ibrahim Rugova, president of the Democratic League of Kosovo, by Robert Hochner in Vienna on 15 September; Rugova statements in French with superimposed German translation—live]

[Text] [Hochner] Good evening, Mr. Rugova.

[Rugova] Good evening.

[Hochner] Mr. President, in a lecture this evening you stated that bloodshed is unavoidable in Kosovo if Kosovo remains part of Yugoslavia. Who will start the bloodshed?

[Rugova] If Kosovo continues to be dominated by the Serbs, this will be a tragedy for the Albanians. We have had bad experiences with all Serbian regimes. There is the danger of a big massacre.

[Hochner] The Serbs and the Army are heavily armed. The Albanians in Kosovo are not. Would your compatriots stand any chance in an uprising?

[Rugova] If a big revolt, an uprising, should break out, this would be a tragedy. If we do not receive international help, people will revolt. There will be no other way.

[Hochner] What possibilities for talks with the Serbian leadership do you see? Do you think that you are strong enough to achieve independence for the Republic of Kosovo?

[Rugova] Holding a dialogue with the Serbian leadership does not seem possible. We tried that in the past, but no results were obtained. We would like an independent Kosovo. This is the best solution for us and it also corresponds to the political realities. Kosovo would be a neutral republic between Serbia and Albania. The protection of the Serbs would be guaranteed there. Once an independent republic exists, a new problem will arise for the Albanians and the Balkans: Namely unification with Albania.

[Hochner] What is your position concerning a merger with Albania and possible aid from Albania—in the political, economic, and military sphere? Serbia is apparently afraid of that. Are you the president of a country that wants to become independent and then merge with Albania?

[Rugova] We have always advocated an independent Kosovo. This corresponds to the political realities. We have not sought reunification with Albania. We respect the international borders. These are the international borders of former republics. Once Kosovo is independent, a gradual integration with Albania might take place if such demands are raised.

[Hochner] Mr. President, your ethnic group, which represents the majority in Kosovo, is being suppressed. It does not have schools, and it is denied access to television. You told me that this is the first time in two years that you have entered a television studio because Albanian television has been banned. How is life under—let me put it this way—Serbian occupation?

[Rugova] You are right. We are living under an occupying power. I thank you for giving me the opportunity to appear in an Austrian—a European—television studio. Our life is really very difficult. We have no means of disseminating information. As a matter of fact, we have associations and local administration structures, but we must organize ourselves better to be able to put up more resistance. This is the only way we can show resistance. We have chosen peaceful resistance. It is the only way for Albanians to survive. Otherwise a tragedy might take place.

[Hochner] Mr. President, Kosovo has always been the poorest part of Yugoslavia. Being legally still part of the remaining Yugoslavia, you are affected by the UN sanctions, too. To what extent has this led to an exacerbation of the situation in Kosovo?

[Rugova] At the moment the situation is even more alarming. Previously we suffered from Serbian sanctions. The Serbs have destroyed the economy, the health sphere, and the entire social life, and now we are suffering from the international sanctions that we accepted with a view to a better future. However, we are suffering terribly. Winter is coming, and the whole trade has collapsed. We are asking for international humanitarian aid in accordance with the UN resolutions. So far, we have not received any international humanitarian support. Thus, we appeal to the world to help Kosovo.

[Hochner] Mr. President, thank you very much and all the best for the future.

[Rugova] Thank you very much.

High School Students Refuse to Attend Class

LD1509135192 Belgrade TANJUG in English 1154 GMT 15 Sep 92

[Text] Pristina, Sept 15 (TANJUG)—Ethnic Albanian high-school students on Tuesday [15 September] gathered in front of high schools in several towns in Serbia's Kosovo province refusing to attend classes conducted

according to programs of the Republic of Serbia and demanding that they be given facilities where they can study [words inistinct] 'laws of the republic of Kosovo'.

According to this scenario, which was a number of times replayed since the (?start of the) new school year, most of the students soon dispersed quietly, though smaller groups continued to stroll through the center of the towns.

The rallies have so far proceeded without any incident.

The leaders of ethnic-Albanian parties, which are particularly influential among the younger generation, have proclaimed Kosovo a republic and strive to unite it with Albania. Since they are a minority, ethnic Albanians have no right to their own state under Yugoslav and international norms.

Vojvodina

Blockade Causes 'Heavy Losses' in Transportation

LD1509191892 Belgrade TANJUG Domestic Service in Serbo-Croatian 0150 GMT 11 Sep 92

[Text] Novi Sad, 11 September (TANJUG)—In the past 100 days of the economic blockade against Yugoslavia, in Vojvodina alone 54 freight trains have been cancelled, according to Miladin Kalenic, assistant minister of economy of the province.

He stresses that the blockade has considerably disrupted communications and caused heavy losses. Vojvodina is an important transit area and if the blockade lasts longer, priorities in supplying fuel to transport enterprises will have to be introduced, Kalenic says.

According to details from the provincial Ministry of Economy, Vojvodina railways is now transporting one-third less goods than last year, but the number of passengers has increased, because due to the shortage of fuel for buses they are using trains as a means of transport. Despite this the railways have still been forced to send one-fifth of their workers on paid leave.

There has also been an exceptional drop in the volume of river transport operations. The Heroj Pinki fleet with a capacity of 22,000 tonnes is practically without work. Over one-third of those employed in the Vojvodina river shipping trade are already on compulsory leave.

In road transport, international traffic has come to a complete halt, while domestic transport has been reduced by about 40 percent. About one-third of buses are out of circulation.

Montenegro

Albanian Party Calls For 'Special Status'

LD1409221292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1951 GMT 14 Sep 92

[Text] Podgorica, 14 Sep (TANJUG)—An optimum solution to the situation of Albanians in Montenegro is for them to gain a special status to be defined by the republic's new Constitution, stresses a memorandum by the Democratic Forum of Albanians [Demokratski Forum Albananca] in this republic, whose principal stands were presented this evening in all Montenegrin radio and television newscasts.

Albanians in Montenegro believe that special status, as a modern form of autonomy, is conducive to national and citizens' equality, and represents a sound basis for precisely defining intranational relations in the republic.

It was also stated that national equality in all spheres of life must be defined by the Constitution and other legal acts, and should be reached by a consensus, and through mechanisms which will shield against outvoting, without any possibility of abuse by either the majority or the minority, and under the supervision of international organizations.

Macedonia

'Military Strongpoints' Planned for FRY Border

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[Text] Skopje, September 15 (TANJUG)—The former Yugoslav republic of Macedonia which seceded last September, will start erecting military strongpoints along the 200 kms-long border with the Federal Republic of Yugoslavia, said the Skopje daily NOVA MAKEDONIJA on Tuesday [15 September].

Calling on unofficial sources in the Macedonian Defence Ministry, the daily reports that the Republic of Macedonia Army will soon set up a full border regime along the border with the Federal Republic of Yugoslavia.

Up-to-date military strongpoints and other facilities will be constructed along the border with technical equipment for the control and defence of the border. Preparations are under way for the complete military control of the border, said NOVA MAKEDONIJA.

Macedonia has been recognized by Turkey, Bulgaria and Russia. Greece was strongly opposed to the European Community's (E.C.) recognition of Macedonia, fearing that the new state might have territorial claims.